



University of  
**Reading**

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**ANNUAL  
REPORT AND  
FINANCIAL  
STATEMENTS**

2022/23



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# **ANNUAL REPORT AND FINANCIAL STATEMENTS**

2022/23

## CONTENTS

4	President's foreword
6	Vice-Chancellor's foreword
8	Strategic report
10	Our measures of success
14	Development and performance
18	Providing value for money
20	Fulfilling potential
22	Understanding our risks
26	Financial performance in the year
30	Environmental matters
32	Partnering for the Planet
34	Statement on public benefit
38	Civic university
40	Teaching
41	Research
42	Research for a better world
43	Research Awards
44	Economic impact
45	Regional partnerships
48	Governance statement
53	Report of the Remuneration Committee
58	The Council and Officers
60	Independent Auditor's Report to the Council of the University of Reading
63	Key financial statements
67	Statement of Principal Accounting Policies
74	Notes to the financial statements

## PRESIDENT'S FOREWORD

### Helen Gordon

Over the past year, my first year as President of the University Council, the University of Reading has remained focused on providing an outstanding educational experience and pursuing excellence in research. Despite facing some financial challenges linked to rising costs, the University is in a good position to meet them. As we approach the milestone of 100 years since the awarding of our Royal Charter and University status, we are in a strong position as we look to the opportunities of the next 100 years.

Educating with excellence is at the heart of our remit. I'm pleased to say that the University was awarded Silver in the recent Teaching Excellence Framework, signifying that we consistently exceed the national quality requirements for UK higher education. The University was recognised in particular for its student experience and student outcomes, demonstrating our commitment to helping our students reach their full potential. This would not be possible without the dedication and talent of all those who support our students throughout their time at Reading.

On our Whiteknights campus, the Reading School of Art has now moved into its newly renovated home closer to central campus. Complete with new specialist workshops, studio and gallery spaces, and offices, this promises to be an exciting space for a new generation of fine artists.

This change also provides space for a new state-of-the-art headquarters for the European Centre for Medium-Range Weather Forecasts (ECMWF) at Whiteknights. Welcoming this important institution, with which we already have a longstanding working relationship, will further cement the University's position as a global leader in weather and climate science.

As an institution focused on people, I was pleased to see the University this year recognised as a University of Sanctuary. The University of Reading is a truly global institution, with staff and students from all over the world. It feels right that our campus and our community should be as welcoming as we can to those seeking safety and security, a place where anyone can have an opportunity to reach their full potential.

The long-term impact of the global pandemic is still being felt on our finances, but the University has worked hard together to make sure these pressures have not impacted our mission. In common with many large organisations, we are facing pressures from high inflation and energy costs, on top of sector challenges such as static undergraduate fees and a competitive global student market. The University Council has agreed a clear set of measures to address these challenges. Financial sustainability is a key part of the University strategy and we remain committed to focusing resources into areas that will sustain our academic mission.

Partnerships, both locally and internationally, are increasingly part of the University's strength and success. Our ties with organisations such as ECMWF, the Natural History Museum, the British Museum and Shinfield Studios put us on the global stage. But our work with more local partners, such as the Royal Berkshire Hospital, the Berkshire Healthcare NHS Foundation Trust and Reading and Wokingham borough councils gives us the opportunity to contribute directly to our immediate neighbourhood.

My thanks and congratulations go to all our staff and students for their ongoing hard work and achievements, and to our array of partners for their support.

### Helen Gordon

President of the Council

30 November 2023



## VICE-CHANCELLOR'S FOREWORD

### Professor Robert Van de Noort

There are many highlights to reflect on from the past year, touching all principles of the University Strategy: community, excellence, sustainability and being an engaged university. Many of these feature in this annual report.

While there has been much to celebrate this year, I fully recognise that for many people we are living through tough times. High inflation has put financial pressure on students and colleagues alike. In line with our principle to put our community first, we are providing support to our staff and students in a variety of ways, from supporting smart working through to reducing the cost of our Clever Cuisine offering.

One highlight that stands out is our rise in the QS World University Rankings to the top 200, demonstrating our excellence for research and education. We are also shaping our research and education excellence for the future, with major changes to how we organise our teaching and through our continued partnerships with the British Museum, the Natural History Museum, the European Centre for Medium-Range Weather Forecasts, the Royal Berkshire NHS Foundation Trust and Shinfield Studios.

Environmental sustainability is critical to our future and our 4th place in the UK in the People and Planet University League is evidence that we are now one of the greenest universities in the UK. As the annual report explains in detail, financial sustainability is a genuine challenge for the University and the wider higher education sector as a whole. However, I am confident that through the modernisation process we have embarked upon, better times are ahead.

A colourful example of our commitment to celebrating our role as an engaged university took place in May, when we hosted our first Community Festival on our beautiful Whiteknights campus. We invited staff, students, their families and people from across the area to watch live music, attend creative workshops, and find out more about our research with talks and learning activities for all ages. The event was a huge success and gave us all an opportunity to celebrate what makes Reading great: our diverse community. We hope to replicate this event again in the future.

Building further on our engagement with the local community, we have continued to host community forum events, which give local people the chance to raise any issues they think need addressing and share their views on how the University works with and for the town of Reading. These events are always hugely useful to the University and help to shape our plans for the future.

This year we have also created a new Community Engagement Steering Group, which will provide strategic oversight of our community activity. I think this will be a very positive partnership as the community representatives will help us ensure we are actively listening to voices outside of the University, improving outcomes for everyone.

As we move forward, community spirit, academic excellence, financial and environmental sustainability, and local and global connections will continue to be at the core of our plans. I look forward to the University of Reading continuing to nurture talent, generate new thinking, and work with partners locally and worldwide to create knowledge and opportunity.

### Professor Robert Van de Noort

Vice-Chancellor

30 November 2023

# STRATEGIC REPORT

## OUR FOUR PRINCIPLES

The University of Reading has its roots in University College Reading, which was established in 1892.

It received its Royal Charter in 1926 and has since developed into a leading force in British and international higher education. It is a global university that enjoys a world-class reputation for teaching, research and enterprise.

### Principal operations

Research and teaching are currently grouped into schools, which are situated on three campuses in the UK. The University is very active internationally and has operations in many countries, including campuses in Malaysia and South Africa. It has over 25,000 students across a broad range of disciplines and attracts high-quality students and academics from around the world. The University has more than 3,800 members of staff, with 35.5% of our academic staff and 16% of our professional and administrative staff from overseas. Our campuses offer extensive teaching space and laboratories, where students have access to cutting-edge research.

### A new strategic direction

Following the appointment of Professor Robert Van de Noort as Vice-Chancellor in 2019, the University has undergone a process of strategic renewal. Our new strategy aims to galvanise the University community around a set of shared ideals, and to guide our decision making in the years leading to our centenary in 2026.

### 1. Community

**The University is a diverse, inclusive and supportive community.**

Our strategy was shaped by the community itself – from discussions with students, colleagues, alumni, the University Council, and a range of external stakeholders.

The strategy aims to foster a people-orientated environment at Reading by:

- working with the students' union to strengthen the student voice in our decision making
- introducing a new change governance process to better involve our community
- investing in staff development, including effective use of the apprenticeship levy, to improve colleagues' work and create career development opportunities.

Our progress under this strategic principle is monitored through two KPIs: our performance on the 'employer of choice' measure in our Staff Survey (KPI 1) and our performance on the 'community' question in the National Student Survey (NSS) (KPI 2). Please see pages 10–11 for further details.

### 2. Excellence

**By 2026, we aspire to be in the top quartile in the UK for our undergraduate and postgraduate teaching and research.**

To achieve this ambition, we will:

- create an environment where students and staff can excel academically and personally
- increase research influence and income, including strategic research partnerships
- work with government, business, charities and other organisations to enhance student learning and career development, and to extend the impact of our research.

Our progress under this strategic principle is monitored through two KPIs: our average score across the education-specific questions in the NSS (KPI 3) and our performance in the Times Higher Education (THE) World University Rankings (KPI 4).

### 3. Sustainability

**Our principle of sustainability is based on two interlinking concepts: environmental and financial sustainability.**

While we are committed to carbon neutrality by 2030, we also acknowledge that a solid financial base is essential to achieving our strategic goals.

The emphasis on environmental sustainability offers major financial benefits. We have already achieved £45.1m in cumulative revenue savings from reducing our carbon emissions by 61% since 2009.

However, reducing our carbon footprint and our environmental impact comes at a financial cost. To manage the process responsibly, the University Executive Board will:

- review current offerings to ensure they meet demand and deliver on financial and strategic requirements
- develop a commercial strategy to increase our income through commercialisation and engagement with business
- review the University's investment portfolio considering the changing operational context, including around climate change and long-term viability.

We gauge our progress on the two elements of this strategic principle by monitoring our performance in the People & Planet University League (KPI 6) and our cashflow from operating activities as a percentage of income (KPI 5).

### 4. Engaged University

**The University is a major contributor to Reading and the Thames Valley, working with local partners to play a positive role in the social, cultural and economic life of our wider community.**

For example, we:

- support our staff to volunteer for good local causes
- open our superb sporting facilities to local clubs and athletes
- use our research strengths to support local and regional improvement.

Overseas, we maintain global connections through our teaching, research and active engagement. We use our global links to benefit the towns and regions in which we operate, and use these local connections to strengthen our work around the world.

Our progress under this principle is monitored through three KPIs: our performance in the Knowledge Exchange Framework (KPI 7), our international outlook as measured in the THE World University Rankings (KPI 8), and our economic impact (KPI 9).





OUR MEASURES OF SUCCESS

KPI	Measure	Previous	Current	Target	Status
KPI-1	Staff Survey: 'employer of choice' score (which brings together multiple measures including diversity and inclusion)	Third quartile (53rd percentile)	Awaiting next staff survey. Last survey was in 2021.	Top (fourth) quartile (i.e. 75th percentile or above)	⬇️
KPI-2	National Student Survey: 'I feel part of a community of staff and students' (Question 21)	Third quartile (57th percentile)	This question was removed from the 2023 survey.  The University Executive Board agreed to suspend KPI-2 for the time being, with a view to establishing a better way to measure community for both students and staff in the future.	Top (fourth) quartile (i.e. 75th percentile or above)	⬇️
KPI-3	National Student Survey: average of education-specific questions (Questions 1–25)	Third quartile (62nd percentile)	Third quartile (71st percentile)	Top (fourth) quartile (i.e. 75th percentile or above)	⬆️
KPI-4	Rank amongst UK universities in THE World University Rankings	Equal 26th	Equal 26th	Top 25	⬇️
KPI-5	Cashflow from operating activities as a percentage of income	3.3%	0.6%	10%	⬇️
KPI-6	People & Planet University League ranking	15th (1st class award)	4th (1st class award)	Top 5	✅
KPI-7	Knowledge Exchange Framework metrics	14% Perspectives in top quintile, 25% Metrics in top quintile	29% Perspectives in top quintile, 25% Metrics in top quintile	43% Perspectives in top quintile, 50% Metrics in top quintile	⬆️
KPI-8	THE World University Rankings international outlook – UK universities	Fourth quartile (75th percentile)	Fourth quartile (79th percentile)	Top (fourth) quartile (i.e. 75th percentile or above)	✅
KPI-9	Economic impact on UK economy (Gross Value Added)	£0.8bn	£1bn	£1bn	✅



“The University of Reading continues to make good progress against our key objectives, as set out in the University Strategy. Rising to 4th in the UK in the People and Planet University League is a fantastic achievement, showing our efforts towards becoming a greener university, and our increased levels of commercial income demonstrate the success of an important part of our plans for long-term financial sustainability. The improved metrics for the Knowledge Exchange Framework are indicative of continued strong links with industry, and we have now met our target of contributing £1 billion to the wider economy as a result of our activity in the region. I want to thank colleagues and students for their continued commitment to helping the University meet its strategic goals.”

Professor Robert Van de Noort  
Vice-Chancellor





In the top  
**20%**  
of world  
institutions for  
more than five years in a row <sup>1</sup>



**86%**  
of our research  
is world leading  
or internationally excellent <sup>2</sup>



**27,590**  
students from  
around 160 countries <sup>3</sup>



**15,550**  
undergraduate  
students  
and  
**12,040**  
postgraduate students <sup>4</sup>



Across all levels of study

**53%** of our students  
are women

**37%** of our students are from  
a Black, Asian and Minority  
Ethnic (BAME) background

**14%** have declared  
a disability <sup>5</sup>

**89.2%**  
of graduates in full-time work are  
in professional or managerial roles  
(defined as Standard Occupation  
Classification groups 1, 2 and 3),  
15 months after graduation <sup>6</sup>



<sup>1</sup> The University of Reading was ranked equal 169th out of 1,498 institutions in the QS World University Rankings 2024. We have been ranked in the top 20% in the 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024 rankings. Source: [www.topuniversities.com/university-rankings/world-university-rankings/2024](http://www.topuniversities.com/university-rankings/world-university-rankings/2024)

<sup>2</sup> Based on our submissions judged to be world leading and internationally excellent in overall quality by the Research Excellence Framework (REF) 2021.

<sup>3</sup> HESA 2022/23 Student Record and Aggregate Offshore Record, figures rounded to the nearest five.

<sup>4</sup> HESA 2022/23 Student Record and Aggregate Offshore Record, figures rounded to the nearest five.

<sup>5</sup> HESA 2022/23 Student Record and Aggregate Offshore Record. Figure for BAME background only includes students where ethnicity is known.

<sup>6</sup> Graduate Outcomes Survey 2020/21, based on first degree/ other undergraduate, postgraduate (taught), and postgraduate (research) responders.



# DEVELOPMENT AND PERFORMANCE

The University continues to grow. More than 15,500 undergraduate and over 12,000 postgraduate students now study at Reading, both in the UK and abroad.

We are among the top 20% of world institutions ranked in the QS World University Rankings 2024, a position we have held for nine consecutive years. Reading is ranked at 201–250 overall in the 2024 Times Higher Education (THE) World University Rankings, and retains its position among the top 30 UK institutions ranked in both the THE and QS tables. Reading was also ranked 34th nationally in the Complete University Guide 2024.

Consistent with both our world-leading academic credentials in climate science and our institutional commitment to sustainability, we hold a 'First Class' rating in the 2022/23 People & Planet University League. Our environmental and ethical performance saw the University ranked 4th out of 154 institutions assessed in the scheme. Our 134-hectare Whiteknights campus also won its 13th consecutive Green Flag Award in 2023, recognising it as one of Britain's top green spaces.



## Henley Business School

Henley Business School has been triple-accredited for over 20 years. As such, it maintains its place as one of the world's leading business schools, holding accreditation from all the major international bodies – AACSB, EQUIS and AMBA. It is also the first in the world to achieve the Association of African Business Schools accreditation. To date, Henley is the only business school to hold all four accreditations.

The School's commitment to excellence is evident in its world-class rankings, and it is recognised as one of the top 35 business schools in Europe (Financial Times, 2022). Its Executive Education programmes are ranked at number three in the UK, with its Masters in Finance programmes ranked at number seven (Financial Times, 2023). Reflecting Henley's mission to advocate for equity, diversity and inclusion, it also holds the number one position in the UK, Europe and the world for faculty diversity for its open and custom programmes (Financial Times, 2023). In 2022, Henley South Africa was awarded the EFMD Excellence in Practice Silver award with Standard Bank – the only business school in the southern hemisphere to win this award twice.

As part of its renewed strategy and commitment to business and societal relevance and impact, Henley's World of Work Institute has been launched as a vehicle to establish Henley as the go-to business school to understand developments in the working world. In addition, the new Masters in Climate Change, Sustainable Business and Green Finance is an example of the School's ambition to develop leaders that will drive sustainable, smart and fair business. Henley has also retained its Ministry of Defence programme, the Army Higher Education Pathway (AHEP), for a further five years.

## University of Reading Malaysia

The University of Reading Malaysia (UoRM) has been delivering undergraduate degrees in Malaysia since 2014. Its EduCity@Iskandar campus opened in 2015, and the first group of students graduated in 2017. This modern, purpose-built campus provides flexible space to teach students in a range of subjects, including business, real estate, quantity surveying, law and psychology.

Following a successful restructure in 2019, the campus continues to improve its operational and financial position. The campus currently has 680 foundation and undergraduate students, with a capacity of up to 1,300.

UoRM provides a world-class education in an international environment. Graduates of UoRM receive the same University of Reading degree as their counterparts in the UK, following identical curriculum and quality standards. All programmes offered at UoRM are accredited both in the UK and Malaysia. Notably, UoRM is the only branch campus in Malaysia with a law school, which successfully graduated its first cohort in August 2022.

Every year, 30 to 50 students are expected to transfer to the UK campus from UoRM, providing a significant feeder of international students and fee income in line with the University's international strategy.



## Nanjing University of Information Science and Technology (NUIST)

The University of Reading has a long-established relationship with Nanjing University of Information Science and Technology (NUIST), China's premier university in meteorology. The joint academy established by the two institutions enables Chinese students to work towards one of eight UK undergraduate degrees.

Since 2018/19, the academy has operated a model whereby undergraduate students can complete the final year of their four-year degree in Reading or in Nanjing, under China's Ministry of Education (MoE) rule – the only exception being BA Law, where students complete the final year in Reading.

In 2020/21, two new postgraduate programmes, MSc Data and Decision Analysis and MSc Data Science, were approved by China's MoE, with MSc Data and Decision Analysis starting in 2021/22 and MSc Data Science starting in 2022/23.





## Investment in our campuses

The last 12 months have seen great progress in our work to improve and enhance the University's campuses.

This is part of long-term strategic development of the University's physical and digital estates, backed by committed investment in buildings and infrastructure to make better use of its campuses, provide staff and students with modern, fit-for-purpose spaces to work and study, and reduce carbon emissions.

Work with the European Centre for Medium-Range Weather Forecasts (ECMWF) to create a new government-funded headquarters on Whiteknights campus has progressed. This will create the largest hub of weather and climate researchers in the world, right next door to our Department of Meteorology.

To enable the move, the University's School of Art is being relocated to a newly refurbished building in the centre of campus, providing its staff and students with purpose-built workshops, studios and gallery space.

Major strides have been taken in reducing the University's carbon footprint, with a 61% reduction in carbon emissions recorded by the end of 2022, compared to 2008/09.

Further work to install greener energy sources began in 2023. Boreholes were drilled in four locations on Whiteknights campus to allow a new water source heat pump to be installed using £2.2m of government funding, match-funded by the University. This will provide more than half of the heat supply for the University's district heating network, as well as providing cooling during the summer and reducing the entire carbon footprint of our buildings by 10%.

In addition, work began to replace the gas boilers at SportsPark on Whiteknights campus with air source heat pumps, using a £1.9m UK government grant. This is expected to save around £83,000 on the SportsPark's energy bills in the first year alone.

This programme of work follows an investment of more than £200m in developing our campus facilities in the run up to our centenary year in 2026. These works have seen the addition of a new Health and Life Sciences building, a major upgrade to the Library, and the refurbishment of lecture theatres and the students' union.





# PROVIDING VALUE FOR MONEY

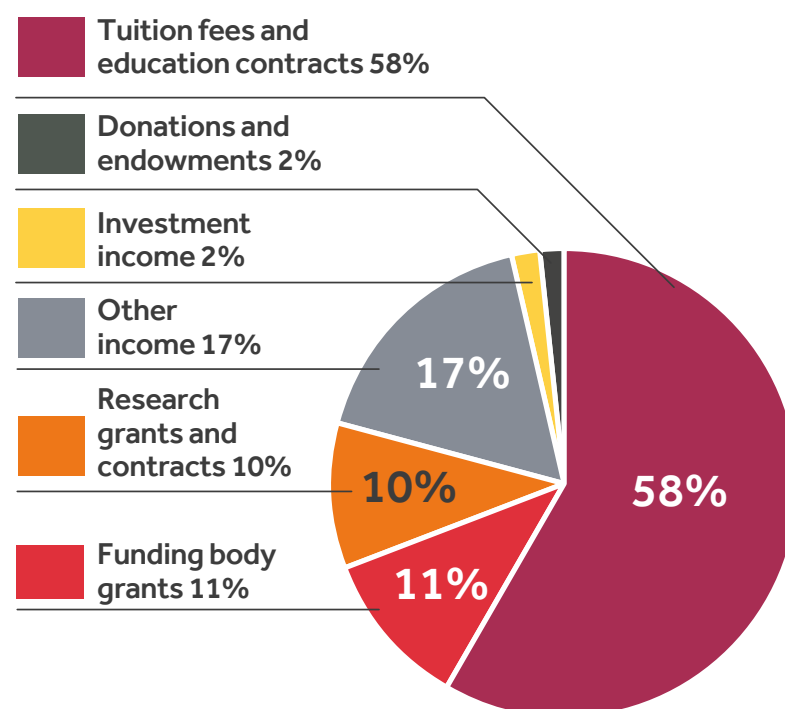
In this section we outline how we create, sustain and improve value for our stakeholders.

The Office for Students (OfS) has included value for money as a key regulatory objective, and the Higher Education and Research Act 2017 gives OfS the power to ensure that universities monitor how they provide value for money. In achieving this, we need to recognise the close interrelationships between our education and research activities, and that we should demonstrate value for money for both students and the taxpayer.

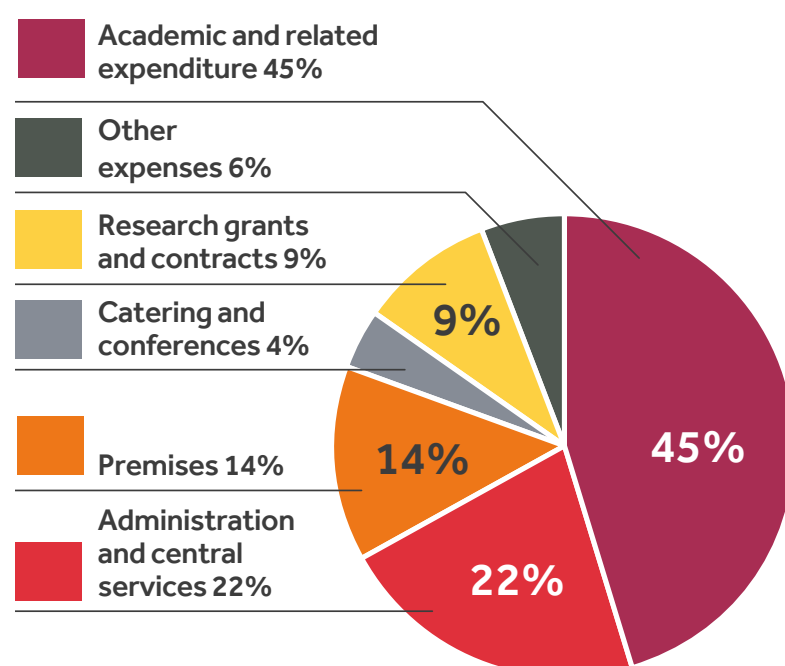
By attending university, our students are making a considerable investment in their future, both in time and money. University is a hugely personal experience and there are a range of ways that the University provides value for money. This will vary from person to person, based on their course of study, individual needs and interests, and the services and facilities they access.

The higher education sector in the UK makes a major contribution to society and the economy, and contributes enormously to a student's personal development. It is also one of the most respected higher education systems in the world, and one that international students strive to access.

## Income streams



## Breakdown of expenditure (excluding USS pension)



### There are four main ways that the University of Reading offers value for money.

- The value that our students get from their experience of university – both now and in the long term – as alumni of a well-respected university with global presence.
- The wider benefit that studying provides, including the acquisition of transferable skills and career prospects.
- The way that higher education institutions benefit society as a whole – economically, socially and culturally – through the education of our students and the contribution of our research to solving global challenges.
- The efficiency and effectiveness with which finances are managed, with financial sustainability being one of the emerging principles underlying the University's new strategy.



### We are a major employer in the Thames Valley region.

In addition, our international sites serve to benefit both the host country (for example, through employment, skilled development and knowledge exchange) and to generate benefits for Reading, the Thames Valley and the UK through export earnings, international networks and an enhanced profile for Reading.



We also work closely with Reading Students' Union – run by students, for students, to represent our student community – to ensure that the student perspective is reflected in our decision making. This covers the full range of university life, including teaching, welfare, diversity initiatives, our environment, and life after university.

Examples include:

- access to learning resources and online teaching materials
- dedicated welfare and wellbeing support services
- targeted support for those from low-income households
- ongoing career support after graduation.



### At the University of Reading, our students benefit from:

- course-related resources – including teaching and materials, one-to-one supervision, and investment in continual teaching and technological improvement
- the wider university experience – including services and facilities like the Library and study space, the SportsPark, placement opportunities, our award-winning Careers Service<sup>1</sup>, and relaxing parkland and grounds.

<sup>1</sup> In June 2023, the Careers Service won the Strategic Innovation prize at the AGCAS Awards for Excellence.



# FULFILLING POTENTIAL

We are committed to providing our diverse community of students and staff with what they need to fulfil their potential.

## Providing the best academic support

Our enhanced Academic Tutor system provides all undergraduate and postgraduate taught students with personalised support from a member of our academic staff for the duration of their studies. Tutors work in partnership with students and the University's wider support services to support academic, personal and professional development.

Graduate Outcomes data shows that the University continues to outperform the sector, with 77.4%<sup>1</sup> of graduates reaching positive destinations of work or further study within 15 months of the end of their course. The 2020/21 cohort was the fourth consecutive cohort to achieve a higher-than-sector average and reflects the outstanding work of our award-winning careers teams<sup>2</sup>.



## Student Wellbeing Services

The University's Student Wellbeing Services department is here to support students with a wide range of needs.

The department consists of four teams.

- The Welfare Team is made up of professional welfare staff who can advise and support students on a wide range of personal and wellbeing issues – from settling in and adjusting to university life, to crisis support, managing money, drug, or alcohol issues, and more.
- The Life Tools programme equips students with key skills to support their time at university and future career skills. It is designed to help students focus on their studies and gain an understanding of the psychological issues that may arise due to pressure.
- The Counselling and Wellbeing Team provides short-term emotional support and operates a 'first contact resolution' approach. They provide each assessed student with support recommendations in their very first appointment, and ensure students understand and engage in self-support techniques through the Strategies for Success document.
- The Disability Advisory Service advises on adjustments in order to access learning, creating a holistic approach to student wellness. In 2022/23, we worked hard to ensure that more students have easier access to adjustments, by making significant changes to evidence requirements.

Our wide range of student support initiatives includes:

- recently producing printed and digital wellbeing guides
- creating videos to help students in a variety of ways and promote inclusion
- reviewing our advice for staff, and creating new guidance on supporting student wellbeing.

We have also launched a 24/7 support service. The Student Support Service is a phone line and app that provides access to information, advice and support on a range of issues, 24 hours a day, 365 days of the year, and will be particularly beneficial to students who live in the local community.

## Diverse and inclusive

- We were awarded an Institutional Silver Athena SWAN award in 2020 from AdvanceHE, recognising our work on gender equity.
- The Technical Services Team, led by Karen Henderson, were awarded a Silver Professional, Technical and Operational (PTO) Athena SWAN award. They were the first – and are, at present, the only – directorate in the country to hold a PTO Athena SWAN award.
- The University launched the LGBT+ Inclusion Initiative Fund in 2023 to support projects by staff and students to advance LGBT+ equality.
- Following the publication of the University's Race Equality Review in May 2021, we published the Disability and Neurodiversity Review in April 2022, which aims to "suggest changes to improve the working experience of disabled, neurodivergent colleagues, and colleagues with chronic conditions or long-term illnesses".
- The University was awarded a Bronze Race Equality Charter Mark in January of this year and the Race Equality Implementation Team was formed to oversee its implementation, as well as any remaining recommendations from the Race Equality Review.
- In September 2022, we launched our Decolonising the Curriculum resources, which have received excellent external recognition. The second edition of the Decolonising the Curriculum resources was published in September 2023.



## Preparing for employment

The University of Reading is ranked top in the Best Universities for Work Experience table<sup>3</sup> and received an Award for Excellence in Strategic Innovation<sup>4</sup> for its Placement Pathways project. This work was undertaken to streamline placements administration processes while involving students as 'pilots' rather than 'passengers' in their placement journeys.

We've also sustained an effective, hybrid-delivery model for careers events and one-to-one support – designed to increase student choice and accessibility – and have returned to delivering all career fairs in-person. These events have exceeded pre-pandemic levels of engagement.

The University of Reading continues to provide the Reading Internship Scheme, supporting students into internships with local small to medium-sized enterprises (SMEs) and charities, and the Thrive Mentoring Scheme, which matches students with professional mentors.

## Enriching opportunities

We encourage our students to study abroad and experience life in another country as part of their degrees. National research indicates that students with international experience are not only more likely to find graduate employment, but also start work on a higher wage<sup>5</sup>. It also suggests that internationally mobile students are less likely to be unemployed, and more likely to undertake further studies, than non-mobile peers.

Study Abroad is a valuable opportunity to learn a new language and gain skills and life experiences that employers are looking for.

<sup>1</sup> First Degree and Other Undergraduate graduates reaching positive destinations of work or further study within 15 months of the end of their course.

<sup>2</sup> In June 2023, the Careers Service won the Strategic Innovation prize at the AGCAS Awards for Excellence.

<sup>3</sup> RateMyPlacement Awards 2023/24, Winner of Best University for Work Experience

<sup>4</sup> AGCAS Awards for Excellence 2023 Winner, Strategic Innovation

<sup>5</sup> UUKi (2018) **Gone International: Expanding Opportunities**



# UNDERSTANDING OUR RISKS

In common with all organisations, we are affected by a large number of risks. Risk can simply be defined as the potential effects of uncertainty on achieving our objectives. While risk is associated with everything we do, informed risk taking is essential if the University is to innovate, succeed and realise opportunities.

Effective risk management is about ensuring that all significant risks are understood and prioritised as part of business as usual, to increase the probability of successful outcomes whilst protecting the reputation and sustainability of the University.

## Our approach to risk management

The University has a responsible approach to risk management, seeking to recognise and manage exposure to risks. The pursuit of knowledge, innovation and strategic aims, and implementing strategic developments, will always carry risk. Risk must also be balanced against the University's obligations to use charitable funds and public money responsibly and prudently.

A balanced assessment of risks must be taken; there will be occasions when taking calculated risks will be appropriate if commensurate with potential reward, and there are also risks in inaction.

## Process

The University's approach to the management, oversight and monitoring of risks has been to build risk management into its structures and processes through a framework comprising:

- governance
- a risk appetite statement
- identification, evaluation and management of significant risks
- policy
- audit and review.

The University's approach is to minimise its exposure to compliance, reputational and financial risk. The University has a very low appetite for risk where there is a likelihood of:

- significant and lasting damage to its provision of teaching and research
- loss of life or harm to students, staff, or visitors
- significant and lasting reputational damage
- significant financial loss or negative variations to financial plans
- illegal or unethical activity
- breaches of regulatory compliance.

The University will endeavour to manage and reduce such risks to the lowest practical level through effective mitigation.

The University has a high appetite for risk in the context of encouraging and promoting critical enquiry, academic freedom and open debate. The University is open to innovation in education and student experience if it has the potential to support and enhance reputation and position, while not increasing exposure to unacceptable levels of financial, compliance or reputational risk. It recognises that outcomes of research are often uncertain, and accepts the risk of embarking upon research projects that are high risk but where the outcomes would be of significant scientific, economic or social value. It acknowledges that its appetite for risk varies according to:

- the activity undertaken
- whether potential benefits and risks are fully understood before activities are agreed
- whether measures to mitigate risks are identified, implemented, and effectively monitored.

The Risk Management Group monitors and reviews emerging and changing risks throughout the year. It reports to both the University Executive Board and to the Audit Committee. Each year, the group produces an annual report on its work. Risk appetite is also reviewed on an annual basis.

Risk owners assess risk regularly, and risk registers are reviewed by the Risk Management Group. In addition, school and function risk registers form part of the yearly submission to the University's planning process. All major projects have individual risk registers, and risk assessment is incorporated into planning and decision-making processes.

Each year, Internal Audit base their audit plan around the risk register, undertaking reviews of key areas according to a rolling plan.

Effective risk management is built on continuous review and improvement. Risk registers will be reviewed regularly throughout the year.



Summary of the University’s structure of corporate governance and responsibility pertaining to risk management

Committee	Role	Responsibility
Council	Oversight	<div><div></div><div><ul style="list-style-type: none"><li>To ensure that the University has established and is operating appropriate risk management systems</li><li>To set the tone and influence the risk culture within the University</li></ul></div></div>
Audit Committee	Challenge and oversight	<div><div></div><div><ul style="list-style-type: none"><li>To continuously review the effectiveness of the risk management structures and processes</li></ul></div></div>
University Executive Board	Ownership	<div><div></div><div><ul style="list-style-type: none"><li>The monitoring and management of such risks as may be assigned to it within the University’s Corporate Risk Register</li><li>To agree risk appetite</li><li>To implement policies on risk management</li></ul></div></div>
Risk Management Group	Implementation, coordination and advice	<div><div></div><div><ul style="list-style-type: none"><li>To continuously review the Corporate Risk Register</li><li>To maintain and develop the systems that support risk management</li></ul></div></div>
Internal Audit	Assurance and testing	<div><div></div><div><ul style="list-style-type: none"><li>To report on the effectiveness of the University’s risk management processes</li></ul></div></div>

Corporate Risk Register

The University’s Corporate Risk Register is formally reviewed by the Audit Committee. The 2023/24 Risk Register was approved at the Audit Committee on 25 May 2023. The 2024/25 Risk Register is currently in preparation.

The following risks are considered the most material and are drawn from the Corporate Risk Register. The list is not exhaustive and is in no particular order.

- **Financial risks** – including failure to recruit sufficient numbers of students, failure to maintain or improve research income, and changes to government policy in relation to university fees.
- **Physical and digital space risks** – including failure to provide sufficient and suitable physical and digital space.
- **Reputational risks** – including failure to maintain the University’s global reputation and failure to manage national and international partnerships.
- **Cyber risks** – including loss of service due to cyberattack.
- **Staffing risks** – including failure to recruit, retain or develop staff, and capacity and demand imbalances.

Risk appetite statement

Area of Activity	Averse	Cautious	Moderate	Open	Mature
Reputation					
Compliance and Legal					
Financial Performance and Sustainability					
Research					
Commercialisation					
Teaching and Learning					
Wider Student Experience					
Global Engagement					
People and Culture					
Community, Environment and Social Responsibility					
Strategic Change, Major Change and Continuity					

Professor Robert Van de Noort  
Vice-Chancellor  
30 November 2023

Andrew Grice  
Director of Finance  
30 November 2023



# FINANCIAL PERFORMANCE IN THE YEAR

The financial year 2022/23 was again challenging for the whole higher education sector, but the University was able to grow its income streams and control costs as much as possible given inflationary pressures and in spite of the unavoidable lasting impact of the pandemic. A number of one-off items set out below resulted in an accounting deficit, but did not impact upon underlying cash generation, which remained positive.

As the University has concluded its fourth and final year of COVID-19 related impacts, income for 2022/23 has remained stable at £337.9m (2021/22: £316.9m). The pre-pandemic plans for growth have been impacted and delayed, particularly in regard to international students, however the University has returned to face-to-face teaching, and halls rooms were back to their normal occupation rates over the whole year. There have however been some ongoing income losses on the campus operations that service students and staff, as behaviours have changed.

COVID-19 has also impacted the cost base and had an overall adverse impact of circa £7m in 2022/23, £13m in 2021/22 and £20m in 2020/21, so an overall impact of £40m. Overall, a deficit of £8.3m is reported (2021/22 deficit £48.5m).

Within this result, the University's investment asset portfolio showed a small reduction in value, recording a £993k loss during the year (gain of £38.7m 2021/22). This has been combined with the in-year reduction of the Universities Superannuation Scheme (USS) pension provision. This is recognised under FRS 102 for any estimated future contributions in the formal deficit recovery plan that exists at the balance sheet date. For the University of Reading, this resulted in a decrease in the provision to £102.5m, the movement showing as a decrease of £19.6m in staff costs in-year and a finance charge of £3.9m, so a net cost of £15.7m. The current deficit recovery plan in place is linked to the 2020 valuation of USS (which was finalised in April 2022) and is based on a 16-year period out to April 2038. It assumes additional contributions of 6.2% from April 2022 to March 2024, rising to 6.3% until April 2038. The 2023 valuation is in progress, but not yet finalised. The possible impact of the valuation is explained in more detail below in the section on expenditure.

Last year there was a significant increase in this USS provision, generating a cost of £72m.

The University internally assesses its underlying performance for the year as the surplus/(deficit) per the statement of comprehensive income adjusted for any movement in the USS pension provision, gains/(losses) on disposal and revaluation of all investment assets, and any material capital grants or material one-off items unrelated to our core activities. This reflects the underlying performance of the University in a consistent manner year on year. The pandemic and more recent inflationary pressures largely explain the underlying deficit for the last two financial years.

Group expenditure for the year was £345m (2021/22: £406.5m). This includes movement in the pension provision detailed below. The University remains focused on keeping costs under tight control to maximise value, and also on the delivery of efficiency savings wherever possible. The University has seen significant improvement in the financial performance of its longer-established academic activities and has embarked on a Strategic Programme out to 2025/26 to further improve the way we operate. It is committed to continuing this trend of growing academic surpluses, in order to re-invest in the future of the institution.

Financial operating results from our campus in Malaysia performed to business plan and showed a break-even position for the year (excluding intercompany interest and foreign currency losses, offset by the release of provisions made in previous years). The campus is operated by RUMAL Reading Sdn Bhd. The company's activities are kept legally and financially distinct from the University in the United Kingdom.

Other comprehensive income also included re-measurement losses of £1.5m on the University-sponsored UREPF pension scheme. These losses arise from updated actuarial assumptions around life expectancy, inflation and discount rates, changes to the membership profile and investment returns. In general accounting terms, this scheme remains in surplus.

## Group income

Income from all sources totalled £337.8m, a 7% increase from the previous year (£316.9m), and with growth recorded in tuition fees after years of COVID-19 impacting our income streams.

Tuition fees and education contracts increased by £8.3m to £197.3m, with student number growth relatively modest in 2022/23.

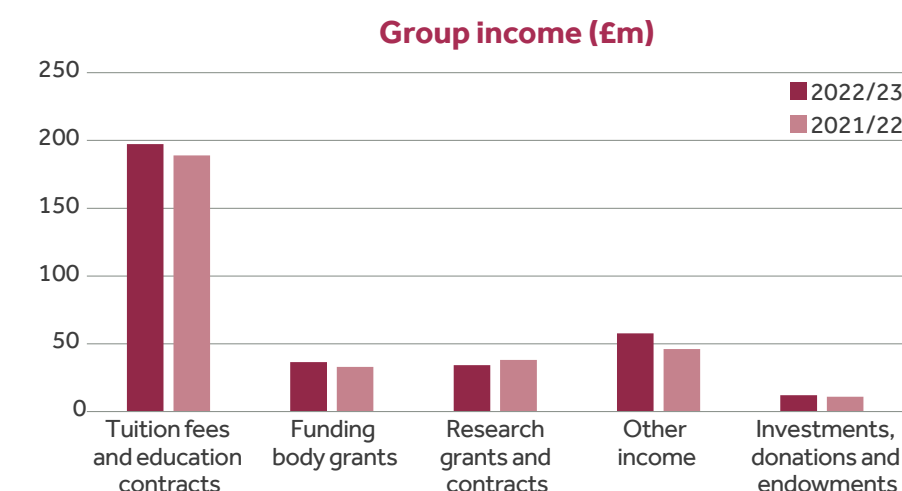
Funding body grants increased in the year to £36.5m but these grants still make up only 11% of total income.

Total research income decreased by 10% to £34.3m, reflecting a competitive and difficult funding landscape post-pandemic and sources of EU funding suspended post-Brexit.

Other income increased by £11.6m to £57.7m. Other income arises from a number of sources, including executive education, property rentals, catering, conferences, and the SportsPark, consultancy and enterprise activities. These were all impacted by COVID-19.

Halls accommodation income has returned to normal pre-pandemic levels now.

Income from investments, donations and endowments totalled £11.6m. This was a mixture of good investment performance in a difficult market and new endowments received.



## Group expenditure

Overall group expenditure (if the USS provision movement is excluded) increased by £30.1m from £334.5m to £364.6m, largely due to an increased level of activity and expenditure in 2023 compared to the 2022 year, as our operations returned to the new normal post-pandemic. The main reasons for these variances are due to an overall increase in staffing costs of £15m (explained below), £3.5m increase in pension interest in relation to the USS scheme, and a £5.4m increase in utilities. In addition, inflationary pressure has impacted other areas such as farm operations.

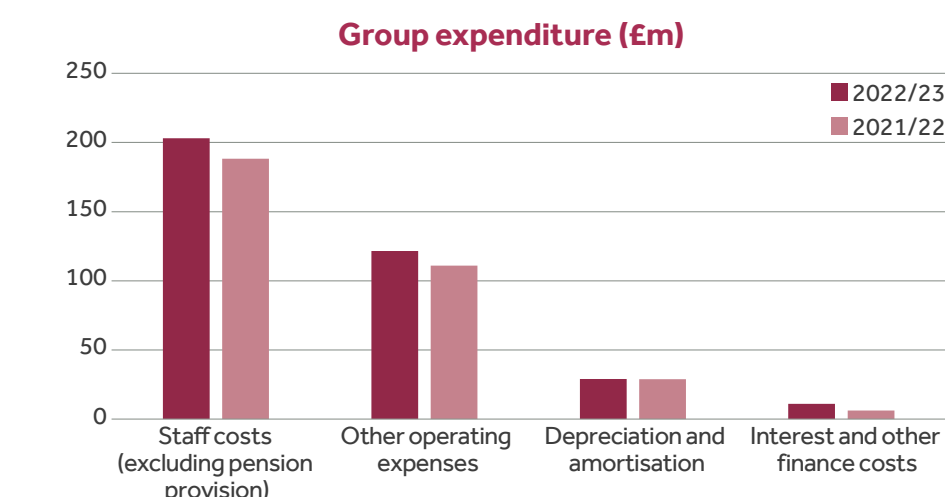
Total staff costs have increased to £203m (2021/22: £188.3m). The increase is mainly due to pay awards and incremental progression rather than growth in staff numbers. The University paid the 2023/24 national pay award early, with effect from February 2023, as part of an employer-led initiative, adding an unanticipated £2m to staff costs in 2022/23. The 2023/24 pay award

has been implemented in full in August 2023 and is in the range 5–8% for different staff groups, reflecting current inflation rates.

The decrease in the overall USS provision of £15.7m is a direct result of the annual update of the recovery plan assumptions agreed as part of the 2020 scheme valuation process. This provision is detailed in note 25. The 2020 USS scheme valuation process completed in April 2022, and the 2023 valuation that is in progress is on course not to include the need for a recovery plan, so we expect

future volatility around this provision. It is a non-cash effect, and many external agencies and banking covenants exclude the movement on this provision when assessing our underlying year-on-year financial performance.

Other operating expenses totalled £121.6m (2021/22: £111.0m), again reflecting a year of increased activity versus 2022. Depreciation on tangible fixed assets totalled £29m and interest payable/finance charges (including £3.9m USS-related) was £11m.





## Financial position

Consolidated net assets totalled £463.2m on 31 July 2023 (2021/22: £451.1m). The increase against the previous year can be attributed primarily to the USS provision movement. Net current assets stood at £65m (2021/22: £89.7m).

## Fixed assets and our infrastructure

The University continues to invest in the future. We have already invested £398m in teaching, research and student accommodation projects in the last decade and have plans to invest to further improve our facilities, so we can continue to provide a high-quality environment for our teaching, learning and research and to support both current and future students and staff. This long-term programme of infrastructure developments is designed to enhance the University's academic activity and ensure that it continues to be regarded as a world-class university both in the UK and internationally.

The University has embarked on a new cycle of capital investment, themed around digital transformation for students and staff, campus improvements, and sustainability investment projects designed to meet our target of net zero carbon by 2030. The new investment cycle projects Group level capital investment of £400–£500m over the next decade.

The University offers a wide range of accommodation options to its students in partnership with its accommodation provider University Partnerships Programme (UPP). Demand for high quality, affordable accommodation located on or near our main Whiteknights campus is very strong, and growing, so the University is developing a long-term accommodation strategy with UPP to help us meet these requirements as effectively as possible.

## Investments and investment properties

The University is fortunate to hold a number of investments that allow us to operate effectively and will generate long-term value.

The total monetary investments held by the University and its trusts were valued at £123.9m (2021/22: £128.0m), showing a small in-year market value gain after withdrawals and additions, reflecting global market conditions in a turbulent year. The cash returns generated from these investments have helped to fund specific research activity in the year as well as supporting a range of prizes for achievements, scholarships and bursaries.

The University publishes its investment policy on its website as well as publishing annually a list of investments held. The policy is set and monitored by the Investments Committee and was last formally reviewed in 2023. The monetary portfolio is managed on a day-to-day basis by a professional investment manager. As well as targeting income returns and capital growth, the manager is required to consider the social, environmental and ethical issues of the companies in which investments are held. We continue to work closely with the Student Union to ensure this aspect of our approach to investment is given prominence.

In addition, the University has engaged with external bodies (such as People and Planet) to ensure its portfolio is aligned to wider climate and ethical considerations, and to demonstrate that our values are reflected in league table positions.

The University and its trusts hold significant land and properties for their investment potential. Their combined market value on 31 July 2023 was £176.3m (2021/22: £162.6m). The growth in value is mainly due to new commercial agreements signed with tenants at our Thames Valley Science Park and further transactions are in progress, as the campus is planned to significantly expand.

Taken together, the combined total of all our investment assets now exceeds £300m. During the year the University has formally designated them as a unified "investment fund" with enhanced governance, more professional support, clear return targets on all asset classes and a significant review of asset allocations in a world of high inflation and high interest rates. The University is also keen to demonstrate how the fund will directly financially support the University in its teaching and research aims whilst preserving its value.

## Pensions surplus/deficit

The financial statements report the overall surplus or deficit of the University of Reading Employees' Pension Fund (UREPF) on the balance sheet, in line with the requirements of FRS 102. The scheme showed an overall surplus of £41.1m on 31 July 2023 (2021/22: £43.5m). The small negative in-year movement was mainly driven by the re-measurement of the assumptions in the year. The University has made some modest additional cash payments to the scheme in recent years, and this has helped to rectify a historic deficit. As well as making regular employer contributions, the University funds £0.6m per annum towards the scheme's administration costs.

The University also contributes to the Universities Superannuation Scheme (USS), a multi-employer

scheme. The University and the other employers who contribute to USS make agreed contributions to reduce the overall deficit on the scheme. The University has recognised a provision of £102.5m for its share of the additional contributions (2021/22: £118.1m) in accordance with the deficit funding plan agreement accompanying the agreed 2020 actuarial valuation.

## Cash flow and borrowings

The Group generated a net cash inflow from operating activities of £2.2m (2021/22: inflow of £10.6m) and sees this measure as a key indicator of year-on-year financial performance, hence it is a university-level KPI. The net decrease in cash and cash equivalents for the year was £15.4m (2021/22: decrease of £8.9m). The decrease was in part due to the operating deficit, higher interest payable and an increase in capital expenditure. The University has recently completed two major capital projects which are the end point of a major cycle of investment and is currently in detailed planning on the shape and size of the future capital programme.

The University's treasury policy sets out the key controls placed on the treasury management function at the University. It contains guidance on a number of key areas and focuses on the risks that the University faces in its day-to-day activities. The policy includes details about the delegations surrounding the investment of surplus cash funds and sets firm limits in regard to the creditworthiness of potential counterparties. The Scrutiny and Finance Committee receives reports on treasury management including an annual strategy and plans for the next year.

The University's non-endowment cash balances are held primarily in the form of interest-bearing deposits with financial institutions. The University also has a number of unsecured borrowings including a £70m corporate bond, a £49.5m sterling long-term loan facility, and a £50m revolving credit facility (half drawn down at year end), which was re-established in 2021 and is available until 2026.

## Going concern

The accounts have been prepared on a going concern basis and due to the COVID-19 pandemic, regular formal and detailed going concern monitoring has taken place since March 2020.

It is anticipated that the main impacts on the University in 2023/24 will be centred around inflation and high interest rates in the UK. Our financial planning going forward has sufficient check points in place to ensure we balance cash levels and the plan to invest in our infrastructure whilst generating sufficient cash from operations on an annual basis.

Numerous, prudent scenarios have been forecast over a three-year cycle and consideration given to the cash flow implications and also the impact on any loan and covenant arrangements.

Whilst income loss impacts are anticipated, the University, though various mitigations, are well placed to respond to this. In addition, the University has access to funds through its investment assets.

Taking all of this into consideration, the University is able to meet all obligations including loan repayments and can meet its covenants. The University is therefore considered a going concern.





# ENVIRONMENTAL MATTERS

The University takes great pride in its role as a leader on environmental sustainability through its educational programmes, research endeavours, and operational practices. With aspirations to be known as the "greenest university in the world", continuing efforts to reduce our environmental impact will be a core part of the University Strategy.

**"In this decade we are at a pivotal moment in addressing the challenges the planet faces, and the choices we make today will have consequences for many centuries to come. As a university, we must play our unique role to respond to this fully, and commit to doing everything we can to work towards greater understanding of the challenges and solutions that will secure the planet's future. This is why we have put environmental sustainability at the heart of our University Strategy, setting an aspiration to be widely recognised for our world-class research in climate change and its impact on the environment and society, and be a leader in global environmental sustainability."**

Robert Van de Noort, Vice-Chancellor

## Leading the way

Environmental matters are increasingly making headline news, in particular the call for more urgent action to tackle human-made climate change. As an institution, the University is a world leader in environmental research and has committed to becoming Net Zero Carbon by 2030. When the European Centre for Medium-Range Weather Forecasts (ECMWF) moves to our main campus in the next couple of years, alongside our own Department of Meteorology, we will be home to the largest cluster of weather and climate scientists in the world.

In the 2022/23 academic year, the University achieved 4th place in the UK in the People & Planet University League (up from 15th in 2021/22). This represents the culmination of continued efforts to reduce the environmental impact of the University's activities.

In the Times Higher Education (THE) Impact Rankings 2023, the University of Reading ranked equal 61st out of 1,625 institutions. These global impact rankings highlight the contribution of universities worldwide in supporting the United Nations Sustainable Development Goals (SDGs), a set of 17 targets set by the UN to bring about long-term prosperity for all. The University features in the global top 50 for seven SDGs:

- SDG1 No poverty (45th out of 876 institutions)
- SDG2 Zero hunger (equal 22nd out of 647 institutions)
- SDG8 Decent work and economic growth (equal 41st out of 960 institutions)
- SDG10 Reducing inequality (30th out of 901 institutions)
- SDG12 Responsible production and consumption (2nd out of 674 institutions)
- SDG13 Climate action (10th out of 735 institutions)
- SDG15 Life on land (8th out of 586 institutions)

**"Setting ambitious sustainability targets is all very well and good, but it is delivering against these targets that really matters."**

Dan Fernbank, Energy and Sustainability Director

## Our Strategic Plan

The University Strategic Plan sets out our commitment to play our part in tackling climate change and be recognised as a University that leads on global environmental sustainability. Since launching this strategy in 2020, we have progressed ambitious plans across key areas of our teaching, research impact, and operations, working towards being known as one of the 'greenest' universities. We have made significant progress thanks to excellent collaboration across our community – and that has already been recognised in improved performance in key external sustainability ranking schemes.

Our Environmental Sustainability Strategic Action Plan is currently being updated to set out our ambitions for the next three-year period.

## Strategic estates plan

The University's new Estates Strategy identifies sustainability as one of five key drivers alongside student experience, staff experience, growth, and risk and compliance. It is developed around the concept of Reading being a "university in a park".

Significant investment is required to deliver this reality over a 10-year period. A decarbonisation programme is integral to the long-term aspirations of the Estates Strategy.

The spectacular 134-hectare Whiteknights campus, known locally as the "green lung" by residents, has now received its 13th consecutive Green Flag Award. The award is given by environmental charity Keep Britain Tidy, recognising the UK's best public outdoor spaces each year.

## Reducing carbon emissions

In July 2023, the University's carbon emissions were 61% below its baseline 2008/09 level (adjusted for COVID-19). This has delivered cumulative financial savings of £45.1m since 2009 – savings which will continue to accumulate year-on-year.

We are proud to retain an integrated ISO 14001 Environmental Management and ISO 50001 Energy Management system. The University continues to look for opportunities and improvements to strengthen the system and its obligations to the environment.

## Supporting the local community and beyond

Recognising the need for local collaboration to address climate risks, the University collaborates with Reading Climate Change Partnership, and actively engages with key local stakeholders, such as Reading Borough Council, for climate-sensitive management of joint assets.

This partnership culminates in a yearly event, the Reading Climate Festival, which features live and online events to inspire action on climate change. In 2023 the festival concluded with the University of Reading #ShowYourStripes Day, a day that highlighted the "climate stripes" graphic created by Professor Ed Hawkins from the University. This thought-provoking graphic shows how global average temperatures have risen over two centuries.

Through world-leading research and innovation, particularly in the School of the Built Environment, the Department of Meteorology, the Department of Geography and Environmental Science, and the Walker Institute, the University supports adaptation to the impacts of climate change around the world.



# PARTNERING FOR THE PLANET

The University of Reading is working with its partners to champion environmental sustainability through world-leading research and practical action.

In recent years, this has involved academics contributing to reports from the Intergovernmental Panel on Climate Change, championing better climate education in schools and colleges, and providing a free online course that helps people to understand how climate change affects different aspects of our lives. Over the past year, the University of Reading continued to share its expertise and campaign for positive climate action.

## #ShowYourStripes

The University of Reading's climate stripes have been shared far and wide in 2023, helping to start climate conversations across the world.

In April 2023, new climate stripes were produced for hundreds of cities across the globe. Previously, graphics were only available for continents, countries and regions.

The climate stripes also appeared in the hands of the Pope after he was gifted a blue and red climate stripes scarf by editors at the Italian newspaper *La Repubblica*.

This year's #ShowYourStripes Day (June 21) saw the stripes shared in many novel ways. These included displays on the White Cliffs of Dover, the Tate Modern chimney in London, the CN tower in Canada, and many buildings and monuments across the United States of America.

Closer to home, blue and red stripes were projected onto landmarks in Reading, including the Abbey Ruins and University buildings. Colleagues and students at the University's Whiteknights campus joined the cause by holding aloft a large climate stripes banner. The banner was also displayed by school children at a Youth Climate Summit held at Reading FC's Select Car Leasing Stadium.



## Climate Festival

The University of Reading helped to deliver 2023's Reading Climate Festival in partnership with Reading Climate Action Network, Reading's Economic and Development Agency, and Reading Borough Council.

Held in June 2023, Reading Climate Festival featured live and online events to inspire action on climate change. The University led on a number of high-profile events, including a panel event introduced by COP26 President Sir Alok Sharma MP, a presentation on how to save the planet by TV weather presenter Laura Tobin, and talks for teachers to help them embed climate change into the school curriculum.

The Festival was opened with the Gaia exhibition, which saw a seven-metre-wide depiction of Earth installed at Reading Town Hall. Efforts from the University and its partners helped bring Luke Jerram's artwork to Berkshire so that it could inspire residents to think about the impact of climate change on their town and our planet.



## Running Out of Time

Climate scientists from the University of Reading took part in the Running Out of Time relay in July. The relay, which spans the length of the UK, encourages policymakers, individuals, communities, schools and businesses to work together to protect our world from the impacts of climate change.

Meteorologists attending the S2S Summit 2023, a major conference held at the University which covered a decade's worth of research developed to fill the gap between weather and seasonal climate forecasts, also took part in the relay.

After the relay baton arrived on campus, Vice-Chancellor Professor Robert Van de Noort gifted framed graphics depicting the 2022 climate stripes for Berkshire to Councillor Sarah Kerr and Councillor John Ennis, the lead councillors for environmental issues at Wokingham Borough Council and Reading Borough Council respectively.



Find out more about the University of Reading's sustainability campaign work at [www.reading.ac.uk/planet](http://www.reading.ac.uk/planet)



# STATEMENT ON PUBLIC BENEFIT

The University is an independent corporation with charitable status, established by a Royal Charter granted in 1926. Its objects, powers and framework of governance are defined in the Charter and supporting Ordinances. It is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010.

The University is not required to be registered with the Charity Commission but is subject to the Charity Commission's regulatory powers, which are monitored by the Office for Students (OfS) since its replacement of the Higher Education Funding Council for England (HEFCE).

The University's Council has due regard to the Charity Commission's public benefit guidance. The University's Handbook for Council Members contains additional guidance on members' responsibilities in respect of public benefit. All charities must have charitable purposes and apply them for the public benefit. The University's core charitable purposes are the delivery of higher education teaching and research. The University seeks to achieve excellent standards in these areas to the benefit of the local, national and international communities.

We encourage people of all backgrounds to participate in, and benefit from, our teaching, research and other activities. The policy of equal opportunities for all is a key part of the University's strategy in ensuring that it delivers its core purposes for the public benefit. The University and its subsidiaries also carry out teaching and research of a more commercial nature, for example in some of the executive education programmes run by Henley Business School, and in research carried out for private sector organisations. The University is careful to ensure that the extent of these activities does not conflict with, or detract from, its core charitable purposes.





## Supporting students

The University has admissions policies in place to attract and admit the most able and motivated undergraduate and postgraduate students with the greatest potential to contribute to, and benefit from, the education provided, irrespective of their background. The admissions procedures, our outreach activity and the provision of bursaries are designed to support this policy fully.

The University promotes – among all its students – excellence in their studies and the other activities they participate in while at Reading, such as sporting, cultural and voluntary engagements. It also encourages the opportunities these activities provide for stimulating personal development and the wellbeing of the community. When students complete their studies, they are able to use the skills they have acquired, both academic and non-academic, in their lives and careers beyond the University.

The University aims to offer programmes of study that are attractive to a diverse range of potential students, have fair and transparent admissions policies, and provide financial support to low-income students.

The Reading Bursary scheme is designed to ensure that students from the least advantaged backgrounds can access its programmes, and that they are supported to succeed throughout their studies.

The University has a comprehensive student complaints procedure to deal swiftly and effectively with any problems that arise during a student's time at Reading.

The University is committed to widening access into higher education – and demonstrating the benefits of a degree – to a diverse body of students, particularly those in under-represented groups. The University delivers widening participation events and activities in schools, colleges, on campus, and virtually. It provides support and information for pupils, their parents and carers, and teachers and advisors about higher education – the opportunities it affords, the application process, and education and career pathways.



## Research

The University aims to deliver outstanding research which has a meaningful impact on knowledge, people and the economy, and aims to enhance or change society for the better. It is committed to supporting our researchers to engage, consult and collaborate with business, public and third-sector organisations to ensure that the knowledge and expertise arising from our world-class research contributes to solving the biggest challenges facing society in Reading, the UK and the wider world.

The Knowledge Exchange Framework (KEF), an annual exercise, provides external audiences with information about how we work with a wide range of stakeholders. It helps us to understand and improve our performance in working with business, and our contribution to local growth and regeneration through investment in the Thames Valley Science Park.



## Community

The University is proud to play a key role locally and regionally and works hard to ensure that our economic, cultural and educational benefits are shared beyond our campuses.

We are open to the local community through our SportsPark, three museums and award-winning grounds. Our Whiteknights campus, a 134-hectare parkland, was named among the most popular green spaces in the UK in the 2023 Green Flag People's Choice Awards for the 13th year running.

Whiteknights campus is a beautiful, green oasis situated within a residential area bordering Reading and Wokingham boroughs. With its distinctive woodland walks, conservation meadows and large lake, its appeal stems from both the natural beauty of the landscape and the University's architectural diversity. The campus provides a natural environment for visitors of all ages to enjoy and benefit from.

Thousands of people have also attended our public events, such as lectures, music concerts and exhibitions, and we have received more than 1.5 million enrolments from as many as 190 countries for our free to join online courses.





# CIVIC UNIVERSITY

The economic, cultural and educational benefits of the University reach beyond our campuses into Reading, Wokingham and the wider Thames Valley.

## Our town's future

A multidisciplinary research team from the University is supporting a project to reimagine the future of Reading. Reading 2050 sees an ambitious, smart and sustainable future for our town, with green technology, culture and diversity, and rivers and parks at the centre of development plans.

## Schools

Our Students in Schools scheme has been running successfully for over 20 years, and last year the impact of the pandemic was thankfully no longer a factor. Our volunteers were able to fully resume their volunteering alongside teachers in local primary and secondary schools, helping to raise pupils' attainment and aspirations, as well as encouraging them to continue into higher education.

Although the number of volunteers has not yet recovered to pre-pandemic levels, our volunteers have spent nearly 3,000 hours in schools helping children of all ages. In particular, they have provided reading, numeracy and language support. Children whose home languages include Arabic, Cantonese, Farsi, Mandarin, Polish, Portuguese, Tamil, Turkish, and Ukrainian have benefited from one-to-one language support from our multilingual volunteers.

## Business

The University of Reading's engagement with business continues to strengthen. Through our Front Door initiative, the Knowledge Transfer Centre has supported businesses to collaborate with academic experts to address innovation challenges, while the Careers team have met the needs of employers through student placements and internships. We remain committed to our business community through our Continuing Professional Development (CPD) offerings at Henley Business School and other specialist areas, such as degree apprenticeships. The University works in partnership with organisations to build strategic alliances and grow local, regional and global connections.

## Museums

The University of Reading has three museums open to the general public: the Ure Museum of Greek Archaeology, the Cole Museum of Zoology, and the Museum of English Rural Life.

Our online portal is a remarkable resource for collections-based learning and research across the University, and includes websites for our Special Collections and Art Collections.

Throughout the University's history, its collections and museums have served vast numbers of researchers, students, and members of the general public, at all levels and ages. We are delighted to welcome more than 50,000 visitors annually, and tens of thousands more across our websites and social media channels.

## University of Sanctuary

In June 2023, the University of Reading was recognised as a University of Sanctuary. The award recognises "universities that have gone above and beyond to provide an understanding, compassionate, and safe experience that would enable people seeking sanctuary to thrive and recognise their potential".

The award follows the establishment of a working group, set up in 2020, to coordinate sanctuary work across the University and develop initiatives that align with the principles of the University of Sanctuary scheme.

The Sanctuary Scholarship scheme, introduced in 2021 in recognition of the disruption to education that displaced people experience, is a key part of the University's sanctuary activity. The scheme offers financial support to those hoping to start or continue their education in the UK. Currently, 12 scholarship awards are available for all eligible sanctuary seekers (people with humanitarian protection or refugee or asylum seeker status), covering pre-sessional English, undergraduate and master's level study.

Other activity includes the launch of the Sanctuary Coffee Bank in campus cafes, to provide free hot drinks to local refugees and sanctuary scholars. The University also works closely with local partners, such as Refugee Support Group, as well as providing ongoing support to the Council for At-Risk Academics (Cara) Fellowship Programme and the Cara Syria Programme.

The University of Sanctuary accreditation will last for three years. Thereafter, the University will be re-appraised to ensure it is still meeting the principles and objectives of the scheme.

## Community projects

In 2022/23, students volunteered 9,100 hours of their time to community projects through the University's Reading Experience and Development Awards, which are designed to help them make the most of their extra-curricular experiences.

This year saw the launch of two new awards including the Sustainable Action Award, within which students completed activity that directly supports 16 of the 17 UN Sustainable Development Goals.

The Community Fund, first launched in 2021, has enabled staff members to apply for funding to support community projects they are involved with in Reading, either as part of their job or on a voluntary basis. Projects supported so far include: sports teams, a homeless charity, an air pollution in schools project and a multilingual project with local nurseries. In 2023, the University expanded the scheme to cover community projects across the Thames Valley.

## Apprenticeship levy

Reaffirming the quality of Henley Business School's Executive Education, the School has achieved a much-deserved "good" rating from Ofsted for its portfolio of degree apprenticeships. These programmes help organisations upskill their workforce and support the government's goal of improving productivity through the apprenticeship levy.

Over the last seven years, Henley has welcomed over 2,700 new apprentices from over 200 employers with over 90% achieving distinctions and merits. Henley has also been ranked as one of the Best 50 Training Providers 2023–2024 by *RateMyApprenticeship*.



# TEACHING

The University of Reading has a long and rich heritage of delivering teaching and learning with excellence at its heart. Students appreciate the quality of teaching and academic support and feel challenged to achieve their best work<sup>1</sup>.

We are dedicated to staying at the forefront of teaching and learning developments and want to inspire creative approaches by working in partnership with staff and the student community.

This partnership enables us to build a supportive and engaging environment, where learners at all stages of their careers are equipped to fulfil their intellectual and personal potential. The goal is to equip graduates with a range of valuable skills, including mastery of their discipline, skills in research and enquiry, personal effectiveness and self-awareness, and global engagement and multicultural awareness.

The University's Pro-Vice Chancellors for Education and Student Experience are responsible for educational quality, student experience and student achievement. They work closely with four teaching and learning deans who provide strategic leadership and support Schools to deliver teaching enhancement activity, such as improving quality of student feedback and addressing awarding or attainment gaps between different student groups.

They also lead university-wide strategic projects in teaching and learning.

The Portfolio Review is streamlining our programme and module offering, helping to ensure our portfolio is distinct, relevant and sustainable. It will also result in more manageable staff workloads and an improved learning experience for students.

Part of providing an improved learning experience is ensuring that the curriculum includes topics that are important to students. At Reading, sustainability is woven into our strategic priorities, and in response

to student demand, is something we're embedding into what we teach through the Education for Sustainable Development project.

Academic success is reliant upon good mental health, both amongst students and staff. The University has signed up to the University Mental Health Charter and is working towards the Charter Award, an accreditation scheme which recognises universities that demonstrate excellent practice, and through self and external assessment identify ways to make further improvements.

The University recruits and develops well-qualified professional and academic staff, encourages innovative approaches to teaching, and makes use of technological developments in learning methods. We have a well-established institutional culture that facilitates, recognises, celebrates and rewards teaching excellence. The Advance HE accredited FLAIR Continuing Professional Development (CPD) scheme provides a route for colleagues to gain recognition for good practice in relation to teaching and learning. Fellowship can be gained in three different categories: Associate FHEA (D1), Fellow HEA (D2) and Senior FHEA (D3). It has made 456 awards in total. The University also has 15 National Teaching Fellows and 51 University Teaching Fellows who make a significant contribution to teaching and learning at the University.

Students have a great experience at Reading. They appreciate the well organised programmes, the excellent library resources and opportunities to give feedback on their programme.<sup>2</sup>

<sup>1</sup> National Student Survey, 2023: 92% of students responded positively to Question 1 ("How good are the teaching staff at explaining things?"); 84% of students responded positively to Question 16 ("How well have teaching staff supported your learning?"); 84% of students responded positively to Question 4 ("How often does your course challenge you to achieve your best work?").

<sup>2</sup> National Student Survey, 2023: 81% of students responded positively to Question 17 ("How well organised is your course?"); 92% of students responded positively to Question 20 ("How well have the library resources supported your learning?"); 85% of students responded positively to Question 22 ("To what extent do you get the right opportunities to give feedback on your course?").



# RESEARCH

With 86% of our research judged as "world-leading" or "internationally excellent" in the Research Excellence Framework 2021, the University of Reading has a global reputation for the quality of its research.<sup>1</sup>

We are in the global top 200 universities, rising to joint 198th out of 1,799 participating universities worldwide in the Times Higher Education World University Rankings 2023. Reading's biggest improvement this year was in the research reputation metric.<sup>2</sup>

Action and research on environmental sustainability have also seen us improve our position in the Times Higher Education (THE) Global Impact Rankings 2023. The Global Impact Rankings highlight the contribution of universities in supporting the United Nations Sustainable Development Goals. Reading is ranked at equal 61st in the world, out of 1,625 participating institutions worldwide.<sup>3</sup>

Our research is structured around four themes:

- Agriculture, Food and Health
- Environment
- Heritage and Creativity
- Prosperity and Resilience.

Each theme is led by a Research Dean who supports the Pro-Vice-Chancellor for Research and Innovation in implementing the University's research strategy.

<sup>1</sup> Full results available at: [www.ref.ac.uk](http://www.ref.ac.uk).

<sup>2</sup> Full results: [www.timeshighereducation.com/world-university-rankings/2023](http://www.timeshighereducation.com/world-university-rankings/2023).

<sup>3</sup> Full results at: [www.timeshighereducation.com/impactrankings](http://www.timeshighereducation.com/impactrankings).

## Research highlights

- We're leading a key theme in the new £15m Energy Demand Centre, aiming to change the way the UK uses energy and moves energy demand loads to help meet its net zero target by 2050.
- We're conducting research that will revolutionise the traditional white British loaf by working with consumers and food producers to develop bread that is higher in dietary fibre and which incorporates flour from healthier and less environmentally damaging faba beans (frequently known as broad beans).
- We announced a new research collaboration with Kew Science to develop nature-based solutions to tackle biodiversity loss.
- The history of chocolate is being investigated at the University following the award of a highly competitive Global Professorship by the British Academy. Cocoa's long and complex story, and how chocolate has changed the world, is being explored by researchers at our Department of Archaeology.
- Groundbreaking research on reducing aircraft emissions by improving transatlantic flight routes, by a team from the School of Mathematical, Physical and Computational Sciences, won Research Project of the Year for STEM at the Times Higher Education Awards 2022.
- Henley Business School's leading four-day week research found that businesses implementing a four-day week are benefiting from significant financial savings and that workers are happier and more productive.





# RESEARCH FOR A BETTER WORLD

Through our world-leading research and collaborations, we aim to advance knowledge and make a positive difference in the world. Our research is changing lives, increasing our understanding of the world, and helping to tackle some of the complex challenges we face in the twenty-first century.

## Better flood preparedness

Following the disastrous floods in Europe in 2021, Reading hydrologists, who designed Europe's flood warning system, spoke out immediately about "monumental system failure" and the lack of action. This led to widespread discussion with politicians and the public, and spurred better flood preparedness, including the introduction of a national mobile phone alert system for emergencies in Germany, an action called for by the Reading team.

## Tackling food and health inequalities

A major project, Food Systems Equality (FoodSEqual), aims to provide citizens of culturally diverse, disadvantaged communities with choice and agency over the food they consume, by developing new products, new supply chains and new policy frameworks that deliver an affordable, attractive, healthy and sustainable diet. The project has recently been awarded additional funding, to focus on tackling health inequalities by testing the power of local coordinated action to address some of the systemic and structural causes of health inequalities.

## Net-zero world

Working out what a net-zero world will look like is the goal of new research at Reading. Research funded by the Natural Environment Research Council will explore how the climate could change in a future where greenhouse gas emissions have been reduced to net zero, and global temperatures have stabilised compared to the current rapid warming trends.

## Innovation in arts, humanities and social sciences research

Business ideas from researchers working in the arts, humanities and social sciences will be matched with private investors, thanks to an innovative University scheme led by a Henley Business School professor. The Aspect Angels network will create the UK's first investor network for ventures founded by researchers working in Social Sciences, Humanities and the Arts for People and the Economy (SHAPE).

A creative entrepreneur in residence is also working with colleagues across the University's Heritage and Creativity research theme to develop connections with, and share inspiration from, the creative industries, and drive innovation in arts and humanities disciplines.

## RESEARCH AWARDS

Our annual Research Awards celebrate excellent research taking place across the University that addresses real-world problems and improves academic practice. The quality of entries demonstrates just how committed colleagues are to making a difference through their research, despite the challenges we have faced over the last couple of years.



### Flower-powered farming boosts biodiversity

**Dr Deepa Senapathi and Dr Mike Garratt**

Around 40% of India's population works in farming. Many smallholders rely on using unsustainable and costly fertilisers and pesticides to eke out a living. But this degrades the environment and harms biodiversity.

Reading ecologists Dr Deepa Senapathi and Dr Mike Garratt have worked closely with the MS Swaminathan Research Foundation and 64 smallholder farmers in Tamil Nadu, India. Together, they have co-designed and tested solutions to show that planting insect-friendly flowers in orchards and fields boosts the numbers of beneficial insects that contribute to pollination and pest regulation in crops, and reduces agrochemical use.

News of the project's success has spread through farming networks and village knowledge centres. More than 40 Tamil Nadu farmers have started using the solutions from the project, reaping the rewards of the partners' so-called "ecological intensification" approach.



### Volunteers shed light on modernist publishing

**Helena Clarkson, Nicola Wilson and MAPP virtual volunteers**

The Hogarth Press publishing imprint was founded by Virginia and Leonard Woolf in March 1917. Letters sent to and from the Woolfs and their authors are among 1,000 digital images that have been transcribed by volunteers for the University's archives.

The virtual volunteering pilot project is part of the Modernist Archives Publishing Project (MAPP), an international teaching and research project and digital archive. 29 local people, from students to history fans, were enlisted to co-create a vibrant resource for the public and researchers alike. So far, they've spent over 500 hours transcribing more than 1,000 items. Along the way they enjoyed glimpses into a period of publishing history when book-buying boomed and progressive new writers' voices began to be heard.



### World of Stonehenge Professor Duncan Garrow

Over a million people engaged with the British Museum's "World of Stonehenge" exhibition and its outreach activities, which were curated by Reading archaeologist Professor Duncan Garrow and the Museum's Dr Neil Wilkin.

The highly acclaimed 2022 exhibition used Stonehenge's global fame to draw visitors' attention to the wider prehistoric world. It explored the travel and technologies of prehistoric people, how beliefs and materials were shared across Europe, and their links with the natural world – from stone and wood to sea and sky. At the exhibition, soundscapes, projections and artefacts came together to transport visitors across the millennia.

Over 179,000 people came through the Museum's doors, and hundreds of thousands more have been to events and watched online lectures. One talk, "Stonehenge's Richest Man", has been watched over 182,000 times on Youtube. Others attended events for schools, families and other groups, including sign language tours and community previews for homeless charities.



### Serving and protecting, everyone Professor Netta Weinstein

The thorny problem of prejudice in policing affects staff wellbeing and undermines public trust. Police forces are trying hard to tackle it within their ranks, but have few research-informed tools to do so.

Professor of Psychology Netta Weinstein gathered data from police forces to discover what motivates officers to change their views. Armed with the evidence, she worked with Hampshire and Isle of Wight Constabulary to develop the first evidence-based police training programme on inclusion, drawing on behaviour change science.

It includes education, strategies, and conversation prompts which motivate staff to care about diversity and inclusion in ways that are meaningful to them.

Reviews from the 3,300 course attendees have been glowing. Almost 90% agreed that the content was engaging and that they'd learned new and useful things, and 98.9% agreed that they were free to talk openly about their true feelings.



# ECONOMIC IMPACT

The University of Reading is an important anchor institution, making a significant economic, social and cultural contribution to Reading and the Thames Valley region as well as other places around the world.

An independent report commissioned by the University from economic consultants Hatch Regeneris<sup>1</sup> in 2023 estimated that the University, including its commercial operations, generates approximately £1 billion<sup>2</sup> in gross value added (GVA)<sup>3</sup> for the UK economy, of which just under half is retained in the local area. This GVA contribution is equivalent to 2.9% of all GVA in the local area.

Hatch also estimated that the University, including its commercial operations, supports a total of 12,300 full time equivalent (FTE) jobs nationally. To put this into context, around one in every 26 jobs in the whole of Reading and Wokingham can be traced back to the University. In addition, for every direct job at the University, a further 2.8 jobs are supported across the UK economy.

Beyond these quantitative economic measures, the report also found that the University supports the local, regional, national and global economies by:

- supplying highly skilled graduates: more than 20% of graduates stay locally, and most contribute to the future growth of London and the south-east; around 86% of graduates go into highly skilled occupations shortly after graduating; just under 40% of graduates go into the education and health sectors, plugging vital skills gaps
- continuing professional development: the University is a major supplier and supporter of continuing professional development (CPD) for both business and key public services like schools and healthcare
- driving business productivity: through knowledge exchange, particularly for businesses located on the University estate at Whiteknights and the Thames Valley Science Park
- driving research enterprise: in 2021/22, the University of Reading generated £38 million in research income, which Hatch estimates generated around £270 million in private sector income.

<sup>1</sup> [www.reading.ac.uk/economicimpact](http://www.reading.ac.uk/economicimpact)

<sup>2</sup> In the academic year 2021/22

<sup>3</sup> Gross value added (GVA) is the key measure of the value of goods and services produced by an organisation, sector or region. It is measured as the difference between income and the value of bought-in goods and services, or the sum of gross profits before interest costs, taxes, depreciation and amortisation, and total employment costs.

# REGIONAL PARTNERSHIPS



## WEATHER SCIENCE HEADQUARTERS COMING TO CAMPUS



The University of Reading will become home to the largest cluster of weather and climate scientists in the world, following an agreement to build a state-of-the-art headquarters for the European Centre for Medium-Range Weather Forecasts (ECMWF) at the University's Whiteknights campus.

The new building will create a modern, inspirational and energy-efficient home for ECMWF's headquarters and its forecasting, research and training functions. Together with the University's Department of Meteorology, and parts of the UK Met Office, Natural Environment Research Council (NERC) National Centre for Atmospheric Sciences and NERC National Centre for Earth Observation, this will create the largest cluster of weather and climate research and operational forecasting in the world.

Subject to planning, the international headquarters building will have a prominent location at the Earley Gate entrance to Whiteknights campus. The site of the building was formerly home to the Reading School of Art, which has moved into new space in and near the Polly Vacher Building with specialist workshops, studio and gallery spaces, and offices.

The new headquarters for ECMWF will be fully funded by the UK Government through the Department for Business, Energy and Industrial Strategy.





## OPENING UP THE BRITISH MUSEUM'S COLLECTION

The University and the British Museum are building a new home for archaeological collections in Reading, in a first-of-its-kind partnership between a national museum and a UK university. Based in Shinfield, the British Museum Archaeological Research Collection (BM\_ARC) will house objects from the British Museum's world-renowned archaeological collections, offering the opportunity for collaborative research and community engagement.

Joint funding from the University and the British Museum will strengthen the partnership by supporting innovative scientific and historical research on the collections. Construction began in 2019 and the building will provide custom-designed space to store, study and share the collections. The building will be completed and objects moved in by 2024.



## FURTHERING NATURAL SCIENCES RESEARCH WITH THE NATURAL HISTORY MUSEUM

In May 2022, the Natural History Museum announced plans to develop a global and sustainable base for high-end natural sciences research and international collaboration with the University of Reading.

Subject to planning permission, the centre will be created at the Thames Valley Science Park. It will help ensure the Museum's collections and the vast data contained in them are safe, accessible and digitally available for researchers all over the world, strengthening the UK's position in finding solutions to the planetary emergency.

The new centre will house more than 27m specimens, as well as more than 5,500 metres of accompanying library and archive material, equating to around a third of the Museum's collections. The relocation will be its largest collections move since the 1880s. A planning application is expected to be submitted before the end of 2023.



## WORKING WITH WOKINGHAM BOROUGH COUNCIL ON A VISION FOR THE FUTURE

Through Wokingham Borough Council's updated Local Plan, the University of Reading is supporting the allocation of land for:

- new homes, designed using the principles of a garden village
- a riverside open greenspace
- employment opportunities.

We believe that the proposals offer an opportunity for the University to spearhead a sustainable, employment-led development that brings together diverse communities, businesses and talent from across the region.

We intend to continue an open process of consultation and engagement within and beyond the University about these plans. Together, we believe this collaborative approach can create a long-lasting legacy of investment for our students, academic work and the community, that reflects the values of the University.



## DEVELOPING A UNIQUE DESTINATION IN THE THAMES VALLEY

The University is delivering ambitious plans to further develop our Thames Valley Science Park, creating a unique destination for businesses, students and the local community.

The University's project to create a film and TV production hub will provide a range of jobs and opportunities in the region, attract inward investment to the UK and help the British TV and film sectors to expand and diversify their talent pool. Filming has begun at the sound stages already built by University tenant Shinfield Studios. The site, comprising of 18 stages in total, will be fully operational in early 2024.



## MEETING THE HEALTHCARE CHALLENGES OF THE REGION

The University's partnerships with the Royal Berkshire NHS Foundation Trust (RBFT) and Berkshire Healthcare NHS Foundation Trust (BHFT) continue to bring tangible benefits to patients and our communities.

We continue to grow the number of students and teaching programmes, with another cohort of RBFT staff taking the Henley Business School degree apprenticeship in Management and our postgraduate certificate in Healthcare Education. Building on our reputation for our Physician Associate programmes and graduates, RBFT is hosting the Thames Valley/Wessex hub of Health Education England South East's Physician Associate School.

Our Charlie Waller Institute (CWI), founded by the Charlie Waller Trust, the University and BHFT, continues to be at the forefront of evidence-based psychological therapies. It is developing courses to support senior mental health leaders (for schools), eating disorder-focused parent-carer peer support worker training, and transformation leadership courses. CWI is facilitating two NHS leadership communities of practice for Black, Asian and Minority Ethnic leaders and White allies.

Through the Health Innovation Partnership (HIP), a strategic partnership with RBFT, we are supporting 50 novel projects across research, education and innovation, spanning academic disciplines and professional services.

Our partnership is generating externally-won research funds through research councils and commercial funding. Our researchers have come together to form the Reading Pain Network and the Cardiology Network, with both networks hosting conferences at the University of Reading's Whiteknights campus in 2023. Furthermore, researcher connectivity has been enhanced through our support of the Reading Pathological Society.

Three RBFT departments were successfully reaccredited with university status in 2023 in recognition of their continued excellence.

Four joint PhD students have started their research studies with us.

Together, we were successful in our £2.63m bid to the Office for Students to develop a Clinical Simulation and Training Suite, located on Whiteknights campus. The suite is designed to enable students and staff to practice and learn in a variety of clinical scenarios, to help prepare them for their placements, their practice and to facilitate interprofessional learning opportunities. It opened in 2023.

Members of HIP are working with public health leads across Berkshire to establish a programme of education and research activities. Our Annual Partnership event will focus on health inequalities, and our collaborative development event will focus on how we are working in partnership to meet the needs of the NHS Long Term Workforce Plan.





# GOVERNANCE STATEMENT

## Responsibilities of the University's Council and structure of corporate governance

The University is committed to the highest standards of governance and continues to review its processes and framework to refine its governance arrangements. In developing its approach, the University has drawn on the Combined Code on Corporate Governance. In addition, the University has referred to guidelines published by, among others, the Office for Students (OfS), Research England, the British Universities Finance Directors Group (BUFDG) and the Committee of University Chairs (CUC) including the Higher Education Code of Governance (the CUC Code). This statement sets out how the University has applied the relevant corporate governance recommendations during the year and the period up to the date of the approval of the audited financial statements.

The University has reviewed and continues to review its governance arrangements and is satisfied that the University has fully complied with OfS's and others' guidelines throughout the financial year. Specifically this covers the requirements around regularity and propriety in the use of any public funding. As part of good governance, the Council reviews its conduct at the end of each meeting. It has specific meetings where it focuses on particular matters of governance, including education (March) and research (November). In addition, the Senate has also undertaken a review of its effectiveness with a report published in late June 2022; implementation of the recommendations has been taking place during 2022/23.

The Charter and Ordinances determine the primary organisational structure of the University, the key constituent parts of which are the Council and the Senate. Each has defined and discrete responsibilities and functions which are described in further detail in this statement.

## The Council

The Council is the University's governing body, meeting at least four times during the academic year. It sets the University's strategic direction, ensures compliance with statutory requirements, and approves constitutional changes. The Council is ultimately responsible for managing the University's estate, finance and staff, promoting teaching, learning and research, and making provision for the general welfare of students, with much of the detailed work falling to sub-committees. Here, broad majority representation by lay members, drawn from a diverse range of backgrounds, provides a valuable perspective. The primary responsibilities of the Council are set out in Ordinance A2, Statement of Primary Responsibilities of the Council, which can be viewed on the University website.

The Council has also:

- monitored the implementation of the new University Strategy for the period up to 2026
- approved the annual report of the Audit Committee
- approved the annual Learning and Teaching Report
- approved the approach taken by the Remuneration Committee in setting senior staff pay
- endorsed the conclusion of the Audit Committee that it is compliant with the CUC Code
- received briefings, and provided decisions or advice to the University, on such matters as the University's approach to mitigating sexual violence and harassment, the University's progress in delivering its environmental targets, and developments relating to the Trusts
- ensured that it has heard from students, academic staff and professional staff in formal and informal settings
- approved a Digital Strategy and an Estates Strategy, and approved and monitored significant capital investment.

Lay members of the Council receive no remuneration for their roles in these bodies, although they are reimbursed for expenses incurred in attending meetings.

The role of President of Council is separate from the role of the University's Chief Executive, the Vice-Chancellor. The Vice-Chancellor is an *ex-officio* member of the Council and the principal academic and administrative officer of the University. They are the accountable officer as required by the OfS as part of its regulatory framework. They exercise considerable influence upon the development of institutional strategy, the identification and planning of new

developments and the shaping of the institutional ethos. The Deputy Vice-Chancellor, Pro-Vice-Chancellors, deans, heads of school and heads of function all support and contribute to this work.

## The Senate

The Senate is the University's main academic administrative body, providing assurance to the Council on matters of academic governance. Reporting to the Council and meeting at least three times a year, the Senate advises on areas such as student entry, assessment, and awards. With around 70 members, the Senate includes deans, heads and elected representatives of Schools/Departments, representatives from teaching and research as well as students. University boards responsible for developments in research, in teaching and learning, and in global engagement report to the Senate.

Senate devotes time at each of its meetings to one or two major items of strategy as well as to necessary items of governance. It is led by senators who are not members of the Executive Board.

## Committees of Council

The Council has five principal committees, each of which reports to the Council on a regular basis. These committees have formally prescribed terms of reference and specified membership, including a majority of lay members. The principal committees are:

- the Scrutiny and Finance Committee, which meets at least four times a year and, *inter alia*, advises the Council on key strategic, policy and operational issues including the financial management of the University. This Committee considers financial plans, monitoring reports and proposals with financial implications recommended by the University Executive Board.
- the Remuneration Committee, which determines the pay and conditions for the University's senior executive management, including the Vice-Chancellor, the Professoriate and equivalent professional staff. It is comprised solely of lay members. It has oversight of the University's employment policies and the power to make recommendations to the Council on remuneration and contractual arrangements. A report from the Remuneration Committee is included within the financial statements.

- the Audit Committee, which is independent and advisory, and reports directly to the Council. This Committee is responsible for considering the findings of internal and external audits, the management responses and progress against implementation plans. It has an overview of the internal and external audit functions. It also has oversight of the internal control system, risk management arrangements and the framework for ensuring economy, efficiency and effectiveness including governance arrangements. The Audit Committee monitors compliance with regulatory requirements. It meets four times a year and has the right of access to information it considers necessary. While senior executives have the right to attend meetings of the Committee, they are not members of the Committee. The Committee meets with both the internal and external auditors for independent discussions.
- the Appointments and Governance Committee, which meets termly and discharges the Council's responsibilities in respect of non-financial aspects of staffing matters and some governance matters. It also operates as the Nominations Committee in seeking and recommending persons to serve on the Council and other committees.
- the Student Experience Committee which has oversight of non-academic services policy and advisory oversight of student services in general. It also discharges the Council's responsibility in respect of formal student complaints and disciplinary matters.
- Management and strategic direction of the University is undertaken by the University Executive Board comprising the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors and the heads of service. The Board meets weekly throughout most of the year and reports routinely to the Senate and to the Scrutiny and Finance Committee.

## Supply of information

Papers summarising financial and non-financial performance, major events, and key indicators of performance are presented to the Council, Scrutiny and Finance Committee and University Executive Board on a regular basis. Papers explaining topics on the agenda for the various Council and committee meetings are issued in advance. The Council monitors performance and various key areas on a regular basis including operating and financial performance, annual operating plans and budgets, strategic proposals, student recruitment, changes in the operational environment including those due to funding, regulatory or legal changes, staff recruitment and retention, remuneration and risk management arrangements.



## Risk management and internal controls

The University acknowledges the risks inherent in its activities, and is committed to managing those risks that pose a significant threat to the achievement of its academic and business objectives and financial health. The systems for risk management and internal controls exist to manage and control the risk of failure to achieve academic and business objectives. They can provide reasonable but not absolute assurance against material misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the University, which is reviewed regularly by the University Executive Board, Scrutiny and Finance Committee, Audit Committee and the Council. This process was in place throughout the year under review and up to the date of approval of the financial statements.

In accordance with the University's Charter and Ordinances and the Memorandum of Assurance and Accountability with OfS, the University's Council is ultimately responsible for the management of the University's affairs, advancing its interests, promoting teaching and research and providing an excellent student experience.

A key responsibility of the Council is to ensure an effective system of internal and financial controls to support the achievement of the University's objectives, while safeguarding the public and other funds.

The system of internal control is developed on an ongoing basis and is designed to identify the principal business, operational, compliance and financial risks to the achievement of aims and objectives, to evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.

The Council, through the Audit Committee, has overall responsibility for reviewing the effectiveness of the systems of internal control and risk management. The University has developed and adopted a formal and structured risk management policy and system to ensure that key risks are identified, prioritised and managed consistently across the University. The policy and system are reviewed and updated on a regular basis. Reports documenting the policy, system, procedures and issues arising are reported to the Scrutiny and Finance Committee on a regular basis. A comprehensive set of policies and procedures designed to manage and monitor risks is in place. The key elements of these systems are explained in the next column.

- The Council meets four times a year to consider the University's strategic direction, decisions and progress against its strategic plans and is advised by various committees. The Council, through the Scrutiny and Finance Committee, is responsible for reviewing the effectiveness of the internal controls of the University.
- The University has developed a system of internal control in line with best practice. This system is designed to identify the principal risks which may prevent or inhibit the achievement of the University's aims and objectives, to evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.
- The Audit Committee receives regular reports from the Director of Internal Audit Services, together with recommendations for improvement. These reports comment on the arrangements for internal control, risk management and governance.
- A Risk Management Group reporting to the University Executive Board and Audit Committee, led by a Pro-Vice-Chancellor, oversees risk management at the University. The University has developed its strategic plans with specific reference to the key risks identified for the University. The Risk Management Group also oversees work on major incident and business continuity planning.
- A framework for managing risk is in place and it includes a risk register. Each key risk is assigned to named members of the University Executive Board. Each risk has also been assigned to the appropriate committee to monitor the operation of the associated controls within their broader remit. The risks are prioritised based on the likelihood of an event arising and an assessment of the anticipated impact. The assigned priority helps focus resources on critical areas.
- Corporate and subsidiary risk registers, held at school and central services level, document controls, mitigating actions and early-warning mechanisms in place to manage each risk. The corporate risk register is assessed by the Risk Management Group, which considers the risks identified, the interactions and interdependencies, the exposure and the proposed processes for managing these risks. Schools and Functions report on their risk management arrangements to the Risk Management Group. The registers are directly linked to, and inform, the strategic and operational plans.

- Internal audit reviews the system of risk management and internal controls on an ongoing basis. The internal audit programme is driven by the strategic, operational and financial risks potentially affecting the University. Each risk is reviewed by internal audit on a three-year rolling programme. In discharging its plan, internal audit gives assurance on the quality and reliability of the risk management framework and the controls which protect the University against exposure to risk. It also reviews compliance with policies and procedures.

No significant internal control weaknesses or failures arose during the financial year or have arisen up to the date these financial statements are signed.

During the year the University and one of its connected Trusts, the National Institute for Research in Dairying Trust (NIRD), have been in discussions to resolve some legacy governance issues that were self-reported to OfS and the Charity Commission. These discussions have reached a resolution in principle, but this still needs to be ratified with the Charity Commission. To date they have not raised any issues that would have a material impact on the University. The University is the sole Trustee of NIRD and NIRD is accounted for as part of the University.

## Register of interests

The Secretary to the Council maintains a register of interests for Council members, lay members of University committees and senior members of staff.

## Preparation of the financial statements

The Council is responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group. The financial statements are prepared in accordance with the University's Charter of Incorporation, the Statement of Recommended Practice: Accounting for Further and Higher Education, and applicable accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between OfS and the University, the Council, through its designated office holder, is required to prepare financial statements for each financial year. These financial statements give a true and fair view of the state of affairs of the Group and University, and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the Council is required to ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of these financial statements.

The Council has taken reasonable steps to:

- ensure the University's funds have been applied in accordance with the University's Ordinances, the Memorandum of Assurance and Accountability and the funding agreement with the National College for Teaching and Leadership as appropriate
- 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, prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the University's resources and expenditure
- ensure that material risks are identified, carefully considered and properly managed and that appropriate risk management procedures and processes are in place across the University.



Internal financial controls

The key elements of the University’s system of internal financial controls and the associated process for monitoring the effectiveness of these controls include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic Schools, central services and other staff to whom such authority and responsibility is from time to time delegated
- a comprehensive corporate planning process supported by key strategic and financial resource plans and a robust investment appraisal process
- regular reviews of academic, operational and financial performance undertaken on an ongoing basis using operational performance information and financial monitoring reports
- clearly defined and formalised requirements for approval and control of expenditure, with capital expenditure being subject to formal detailed appraisal and review, according to approval levels set by the Council
- comprehensive financial regulations reviewed and developed by the Scrutiny and Finance Committee, with amendments subject to approval by the Council
- an annual programme of work undertaken by the internal audit team which is reviewed and approved by the Audit Committee
- reviews by the Audit Committee of the effectiveness of risk management, control and governance arrangements.

The Director of Internal Audit Services is responsible for providing reasonable assurance on the adequacy and effectiveness of risk management, control and governance arrangements.

Information held on the University’s website

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

REPORT OF THE REMUNERATION COMMITTEE

Introduction

This report summarises the business of the Remuneration Committee for the academic year and financial year to 31 July 2023 and sets out how the Committee had discharged its responsibilities.

The Remuneration Committee is one of six principal committees of the University’s Council.

It determines, on the authority of the Council, the remuneration of each individual member of the University’s senior executive, academic leadership and management, specifically:

- the Vice-Chancellor
- the other members of the University Executive Board (UEB)
- deans
- heads of school
- the Professoriate
- Grade 9 professional and managerial staff.

Reports to the Committee highlight any staff whose pay exceeds £100k. The Committee approves severance payments for any staff whose pay exceeds £100k and all severance payments in excess of £90k. The Committee also approves any out-of-cycle salary increases, such as where retention cases are agreed.

It has the power to make recommendations to the Council on the contractual arrangements and the terms and conditions of employment for such staff.

In discharging its responsibilities, the Committee is informed by, and adheres to, the requirements of the Higher Education Senior Staff Remuneration Code as set out by the Committee of University Chairs (CUC) and the Office for Students (OfS).

The Committee has five members, all of whom are lay members of the Council. Members are nominated to the Council by the Appointments and Governance Committee with due regard to the skills and experience required for the good running of the Remuneration Committee.

Members of the Committee for the reporting period were:

- Mrs Helen Gordon (President of Council)
- Ms Kate Owen (Vice-President of the Council and Chair of the Remuneration Committee from 1 August 2022)
- Mrs Sue Maple (Lay member of the Council)
- Mr Kevin Corrigan (Lay member of Council)
- Mrs Siân Butler (Lay member of Council) joined as of 17 October 2022.

It is chaired by a Vice-President of the Council. The Vice-Chancellor, the University Secretary, Head of Governance and the Director of Human Resources attend its meetings. No employees of the University are present when their own remuneration or expenses are under consideration.

The Committee has met on four occasions in 2022/23 on the following dates:

- additional meeting on 16 September 2022
- 17 October 2022
- additional meeting on 28 November 2022
- 6 June 2023.

Attendance at the meetings was as follows:

	Eligible to attend	Actual attendance
Mrs Helen Gordon	4	4
Ms Kate Owen	4	3
Mrs Susan Maple	4	3
Mr Kevin Corrigan	4	3
Mrs Siân Butler	1	1

No declarations of interests were made by Committee members in the reporting period.

The Committee reports directly to the Council. It receives reports and recommendations from its Professorial Staff Salaries Advisory Group, its Senior Staff Salaries Advisory Group, and from the Vice-Chancellor in respect of his direct reports respectively. These Advisory Groups, the Vice-Chancellor, and the Committee itself, have regard to the annual University & Colleges Employers Association (UCEA) Remuneration Survey during their deliberations and are mindful of such guidance as CUC and OfS may provide.

The Committee is committed to having a transparent and consistent approach to its work. There has been continued interest from stakeholders, regulators and the Government regarding remuneration of university leaders and vice-chancellors in particular. Concerns have been raised about the levels of pay, value for money and transparency. The Committee has taken steps to improve transparency and accountability through the provision of additional information. The Committee has increased the information it reports about the University’s remuneration policies and its approach toward senior postholders’ reward.



## Institutional context

In 2026, the University of Reading will celebrate the 100th anniversary of its university status. Since 1926, we have grown enormously in size and stature.

The University has approximately 3,800 staff from more than 90 nations and more than 27,000 students from around 160 countries.

We offer a wide range of programmes, from the pure and applied sciences to languages, humanities, social sciences, business and arts. New research and the latest thinking continually feed into our teaching, with academic staff working at the forefront of their fields of expertise.

We are a research-intensive university recognised for our expertise in areas such as climate science, business, agriculture, and food science. Our research is divided into four broad themes: Agriculture, Food and Health; Environment; Heritage and Creativity; and Prosperity and Resilience.

We have a global presence, with our Whiteknights and London Road campuses in Reading, our Henley Business School campus at Greenlands, Henley Business School (South Africa) in Johannesburg, and the University of Reading Malaysia in Iskandar. The University also has a number of international partnerships and collaborations with institutions in China, India, USA, Canada, Italy, Switzerland, Malta, Ireland, Australia, Thailand, Philippines, Japan, Malaysia, Brazil and Colombia.

We are 169th in the QS World University Rankings 2024, continuing to perform among the top 20% of world institutions ranked by QS. We are 29th in the UK according to the Times Higher Education (THE) World University Rankings 2024, equal 34th in the UK in the *Times* and *Sunday Times* Good University Guide 2024, and 34th in the UK in the Complete University Guide 2024.

However, we continue to face significant challenges. We are addressing, in common with other higher education institutions (HEI), intensive competition for student recruitment, growing student expectations around facilities, teaching and learning quality, and increasing staff costs (not least in respect of pension contributions). The need to ensure financial sustainability against a backdrop of competing demands for resources is a major priority.

These challenges are immediate and real, and must be addressed head on, but our long-term ambitions remain as set out in the 2020–26 Strategic Plan, built on the four principles of Community, Excellence, Sustainability, and Engaged University.

## Approach to remuneration

The overarching purpose of the Remuneration Committee is to assist the University with the effective recruitment, retention and motivation of staff. In doing so it is guided by, and abides with, the Committee of University Chairs (CUC) Remuneration Code, adapted as appropriate for local purposes (but with no diminution of its intent and purpose). The Committee is committed to ensuring fair, appropriate and justifiable levels of remuneration, and demonstrating procedural fairness, transparency and accountability.

Embracing diversity and inclusion is critical to the success of the University of Reading. The Remuneration Committee fully supports the University's commitment to diversity and inclusion, and is mindful of, and informed by, the University's stated targets for staff.

In so far as it is possible, the Committee has aligned the arrangements for senior staff pay and reward with those mechanisms available for all staff. The majority of the University's staff are placed on one of eight grades, on a pay structure based on the national pay spine. They enjoy automatic annual incremental progression until they reach the top of the relevant grade. There are further opportunities to recognise contributions above and beyond normal expectations, ranging from small celebratory vouchers to lump sum payments and consolidated incremental increases. Senior staff have no expectation of automatic incremental progression but have analogous arrangements to recognise and reward contribution. All staff receive the nationally agreed pay award determined annually via the Joint Negotiating Committee for Higher Education Staff (JNCHES).

In summer 2020, the University entered into a significant agreement with the University and College Union (UCU) and the Staff Forum that provided for, *inter alia*, a three-year pay freeze, meaning that nationally agreed pay settlements for the years 2020/21, 2021/22 and 2022/23 would not be applied locally for all staff.

However, the University was able to agree to implement a pay award equivalent to the nationally agreed pay settlement for the year 2022/23. This was agreed with the UCU and the Staff Forum in September 2022 and paid thereafter, backdated to 1 August 2022.

The University made clear its intention to recommence participation in the national pay process from the end of this agreement, 1 August 2023. In doing so, the University also implemented in March 2023 an early pay award which was determined

nationally as part of the new 2023/24 JNCHES process. It was agreed that this pay award would be split into two parts, with one part implemented early in response to the rising cost of living.

The Committee's normal approach to the remuneration and reward of senior staff is set out in full within its Senior Staff Remuneration Policy.

The Committee has developed a strong evidence-based ethos to its work and has agreed the following guiding principles:

- ensure that salaries, benefits and any proposed adjustments to those represent good value for money and a proper use of public monies, seeking appropriate advice and guidance where required
- require all proposals for salary adjustment to have been appropriately scrutinised and be evidence-based
- recognise the value of appropriately rewarding staff for contributions that are above and beyond the normal expectations of their role
- expect ratios of senior staff pay to all University staff to be contained within reasonable and defensible parameters
- operate in the most transparent and accountable manner possible
- seek explanation if it considers there has been significant or persistent underperformance, whether or not a salary adjustment is being proposed.

The Committee has access to a range of benchmark information to best inform its decision making in respect of senior staff remuneration. The primary source of information is the annual UCEA Senior Staff Remuneration Survey. This survey provides comprehensive salary benchmarking across the higher education sectors. The Committee also has access to benchmarking reports from the Director of Human Resources, with particular attention drawn to comparator information relating to:

- pre-1992 HEIs by income (£202m–£400m)
- HEIs in the London/south-east region
- Russell Group HEIs.

The Committee seeks to contain senior staff salaries in the median to upper quartile range within the relevant comparator groups above, while being mindful of varying levels of individual contribution and length of service, and variations in portfolios of responsibilities.

Records of Committee meetings and decisions taken demonstrate adherence to the Committee's agreed practice and the principles noted above.

## Vice-Chancellor's remuneration

The Vice-Chancellor is de facto the University's Chief Executive Officer, and as such has overall responsibility for the effective management of the University. The Vice-Chancellor is the accountable officer (as set out in OfS Regulatory Advice 10) responsible for effective governance and the financial stewardship of the University. The Vice-Chancellor is responsible to, and works closely with, the President of the Council in these matters and in all other aspects of the work of the governing body.

Working alongside Council members, the Senate and the University Executive Board, the Vice-Chancellor leads the strategic development of the University, ensuring its academic and financial sustainability.

The University has a global presence, and the Vice-Chancellor is required to promote its interests at home and overseas. They are expected to develop strong relationships with Government representatives, the Office for Students (OfS), Universities UK and other key stakeholders.

The role of Vice-Chancellor is highly visible, multi-faceted and very challenging. Leading the institution, ensuring its good governance and financial stability, while representing its interests across a complex matrix of settings is time-consuming and demanding.

With all of this in mind, the Remuneration Committee considers arrangements for the Vice-Chancellor's remuneration and is acutely sensitive to general concerns in respect of vice-chancellor remuneration levels across the sector. The Committee uses evidence from both inside and outside the higher education sector to benchmark the Vice-Chancellor's pay. The President of Council sets the Vice-Chancellor's objectives on the Committee's behalf, ensuring they are aligned to the University strategy.

The Vice-Chancellor's appraisal is conducted by the President of the Council following consultation with the Remuneration Committee.

From the academic year 2018/19 onwards, decisions regarding the Vice-Chancellor's salary and any additional reward (consistent with the arrangements for other senior staff) are normally taken at the autumn term meeting of the Remuneration Committee based on proposals presented by the President. This arrangement allows the Committee the best opportunity to scrutinise senior staff performance in light of the objectives set, both collectively and individually, for institutional and personal performance, during the whole of the relevant academic year.



In assessing personal and collective performance, the Committee gives due regard to a series of institutional performance indicators:

- financial performance – notably academic group surplus and university group surplus
- student numbers – undergraduate and postgraduate
- research income – grant and contract income
- external accreditation – notably the Annual Provider Review, the Teaching Excellence Framework and the Research Excellence Framework
- league tables (for the previous five years) – notably the National Student Survey (overall satisfaction rating), *The Times* and *Sunday Times* Good University Guide, *The Guardian* University Guide, The Complete University Guide, *The Times* Higher Education Student Experience Survey, *The Times* Higher Education World University Rankings, and the QS World Rankings
- staff survey outcomes – notably the employer of choice, advocacy and quality of service scores (as measured against agreed acceptable scores and higher education sector median scores).

Professor Robert Van de Noort was appointed as Vice-Chancellor with effect from 22 February 2019. The Remuneration Committee, for recruitment purposes, had agreed that the Vice-Chancellor’s salary would be contained within the £220–280k range. On appointment, the Vice-Chancellor voluntarily limited his opening salary to £195k. Remuneration Committee members have reserved the right to make further salary adjustments to reflect contribution against agreed objectives, and to support future recruitment activity as and when required.

The following table illustrates the full-time equivalent payments made to the Vice-Chancellor for the relevant reporting period and previous year:

Emoluments of the Vice-Chancellor	2022/23 (£)	2021/22 (£)
Salary	210,000	201,000
Performance related pay <sup>1</sup>	5,000	5,000
Benefits		
Sub total	215,000	206,000
Pension costs	45,000	43,000
Total	260,000	249,000

The Vice-Chancellor also participates in the available salary sacrifice scheme in respect of his USS contributions. This opportunity is available to all staff across all the relevant pension schemes.

Pay ratios

Vice-Chancellor’s basic pay ratio (as measured against basic median pay for all staff):

Date	Median	Salary	Ratio
2022/23	34,314	210,000	6.2:1
2021/22	31,406	201,000	6.4:1

Vice-Chancellor’s total pay ratio (as measured against total median pay for all staff):

Date	Median	Salary	Ratio
2022/23	34,714	215,000	6.2:1
2021/22	32,344	206,000	6.4:1

Payments to members of the Governing Body

The Council is the University’s governing body. It sets the University’s strategic direction, ensures compliance with statutory requirements and approves constitutional changes. The Council is ultimately responsible for managing the University’s estate, finance and staff, promoting teaching, learning and research, and making provision for the general welfare of students, with much of the detailed work falling to sub-committees. Here, majority representation by lay members, drawn from commercial, community and professional organisations, provides a valuable perspective. The primary responsibilities of the Council are set out in Ordinance. Lay members of the Council receive no remuneration for their role in these bodies, although they are reimbursed for expenses incurred in attending meetings.

External appointments

The Remuneration Committee accepts that senior staff may from time to time be engaged in work for outside bodies which may be paid or unpaid, recognising the potential value to the individual but also to the University in terms of profile, relationship-building, and exposure to outside thinking and processes. The University’s general rules as set out in its Consultancy Policy apply equally to senior staff.

For senior staff, prior approval for outside work, not being undertaken in the individual’s private time, must be sought before any commitment is made. The President of Council will agree broadly the range of external commitments appropriate for the Vice-Chancellor, explicitly approving further activity on a case-by-case basis. The same principle applies

1 Lump sum, non-consolidated payment.

for other senior staff, with approval to be granted by the Vice-Chancellor.

Approval will not be granted where there is a clear conflict of interest, there is no clear value to the individual’s development or to the University, or where the time commitment is deemed inconsistent with the needs of the substantive University post. Senior staff must ensure that they meet all the reasonable requirements of their university employment.

Approved additional earnings, other than that classified as University consultancy, may be retained by the individual member of senior staff. All such earnings should be disclosed and may be subject to audit from time to time.

Expenses

The University’s rules as set out in both its Travel Policy and Expenses, Benefits, Hospitality and Gifts Policy apply equally to senior staff.

Senior staff are allowed to reclaim their proper and reasonable business expenses, but they are expected to apply sensible discretion.

All expenses of members of UEB are published openly. The Remuneration Committee has access to such reports and reserves the right to seek further details and explanation of particular items.

Details on compensation for loss of office

Severance payments made to university staff during the period comprise statutory redundancies (arising predominately from the natural cessation of fixed-term contracts) and occasional mutually agreed payments contained in a formal settlement agreement.

In total, 56 employees received compensation for loss of office, at a total cost of £542k.

Committee activities during 2022/23

- In addition during 2022/23, the Committee has:
- (i) reviewed its own terms of reference and confirmed that these remain appropriate
  - (ii) conformed with the Statement of the University’s Remuneration Policy as approved by the Council
  - (iii) monitored the approval processes that apply in respect of severance and early retirement arrangements and pronounced itself content
  - (iv) had regard to the national and local context as it affects the remuneration of staff in the higher education sector
  - (v) had regard to pensions matters nationally and where applicable in relation to local University schemes
  - (vi) received verbal and written reports on the development of a new HR Strategic Action Plan
  - (vii) agreed adjustments to salary for members of the University Executive Board
  - (viii) agreed, based on a report from its Professorial Salaries Advisory Group, adjustments to salary for certain Professorial staff with effect from 1 August 2022
  - (ix) agreed, based on a report from its Senior Salaries Advisory Group, adjustments to salary for certain senior staff with effect from 1 August 2023.



# THE COUNCIL AND OFFICERS

## The Council

### Class 1: Ex officio

The Vice-Chancellor  
The Deputy Vice-Chancellor  
Three Pro-Vice-Chancellors  
The Dean of the Henley Business School  
(Professor J. L. G. Board, BA, PhD until 30 April 2023,  
Professor E. Beleska-Spasova MBA, MSc, PhD from 28 June 2023)  
The Acting Dean of the Henley Business School  
(Professor E. Beleska-Spasova MBA, MSc, PhD from 1 January 2023 to 27 June 2023)

### Class 2: Fifteen persons not being employees or registered students of the University to be appointed by the Council

Mr S. Alexander, BA Hons  
Mr S. Ali, MA, ACA, CF  
Mrs S. Butler, BSc, MSc, FRSC  
Mr K. Corrigan, BA, FCCA (Vice-President of Council, Chair of the Investments Committee,  
Chair of Scrutiny and Finance Committee)  
Mrs P. Egan, BA, CBE  
Mrs H. Gordon, MBA (President of Council)  
Ms S. Maple, MBA  
Mr A. McCallum, BSc  
Mr P. Milhofer, BA (Chair of Audit Committee)  
Ms L. Moses, LLB, PGDip (from 1 August 2022 to 12 May 2023)  
Ms K. Owen, BA (Vice-President of Council, Chair of the Student Experience Committee,  
Chair of the Remuneration Committee, Chair of the Appointments and Governance Committee)  
Mrs S. Plank, BA  
Mr N. Richards, MBA, ACIB, DipFS  
Dr C. Shaw, BSc, PhD  
Dr J. Young, CBE, FICE, FinstRE, FRICS

### Class 3: One member of the Academic Staff of the Leadership Group elected from among their own number in such a manner and under such conditions as are prescribed by the Council for the election of members of the Academic Staff to the Senate under Ordinance A1.

Professor U. Kambhampati, PhD Cantab (until 4 February 2023)  
Professor K. Strohfeldt, PhD, PGCAP, MRSC, PFHEA (from 5 February 2023)

### Class 4: One member of the Senate not being a registered student of the University to be appointed by the Senate

Professor R. A. Frazier, BSc (Hons) Bristol, PhD Nottingham

### Class 5: One member of staff who is employed in grades 6–9 at the time of his or her election shall be elected by and amongst his or her own number

Professor J. Gibbins, BSc (Hons) Reading, PhD Reading

### Class 6: One member of staff who is employed in grades 1–5 at the time of his or her election shall be elected by and from amongst his or her own number

Mr J. Magee, MA, RSci (until 31 December 2022)  
Mr J. Jack BSc, BA, MPhil, MIScT, FHEA (from 1 January 2023)

### Class 7: Two Officers of the students' union and two alternates as determined from time to time by the Council after consultation with the students' union.

The President of the students' union  
Welfare Officer of the students' union (until 30 June 2023)  
Education Officer of the students' union (from 1 July 2023)

## The Officers of the University

### Chancellor

Mr P. Lindley OBE

### Vice-Chancellor

Professor R. Van de Noort, BA, Drs, PhD, FSA, PFHEA

### President of the Council

Mrs H. Gordon, MBA

### Vice-Presidents of the Council

Mr K. Corrigan, BA, FCCA  
Ms K. Owen, BA

### Deputy Vice-Chancellor

Professor P. Yaqoob, OBE, MA, DPhil, RNutr, FafN, FHEA

### Pro-Vice-Chancellors

Professor M. Fellowes, BSc, ARCS, PhD, DIC, PgCert, FRSB  
Mr P. Inman, MA, PGDip, FRSA (until 25 November 2022)  
Professor E. McCrum, BA, MA, PGCE, EdD, PFHEA  
Professor P.M. Miskell, BA, MA, PhD, FHEA  
Professor P. Yaqoob, OBE, MA, DPhil, RNutr, FafN, FHEA  
Professor D. Zaum, BA, MPhil, DPhil

### Heads of Service

Ms S. Foley, Chief Financial Officer, BA, FCPFA (up to 31 December 2022)  
Mr A. Grice, Director of Finance, BA, FCA  
Dr R. J. Messer, Chief Strategy Officer and University Secretary, BA, PhD



# INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF READING

## Opinion

We have audited the financial statements of University of Reading ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2023 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education.

## Basis for opinion

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and University's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

The other information comprises the information included in the Annual Report other than the key financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

## Responsibilities of governing body

As explained more fully in the Statement of Responsibilities of the governing body set out on page 48, the governing body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 governing body are responsible for assessing the Group's and 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 governing body either intend to liquidate all or part of the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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.

Based on our understanding of the Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations
- inspecting correspondence, if any, with relevant licensing or regulatory authorities
- communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit, and
- considering the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction.

In addition, we evaluated the governing body's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of the governing body and management on whether they had knowledge of any actual, suspected or alleged fraud
- gaining an understanding of the internal controls established to mitigate risks related to fraud
- discussing amongst the engagement team the risks of fraud, and
- addressing the risks of fraud through management override of controls by performing journal entry testing.



There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other required reporting

#### Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- funds provided by OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions, and
- the requirements of the OfS's accounts direction have been met.

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

In light of the knowledge and understanding of the Group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the governing body's Report.

We have nothing to report in respect of the following matters in relation to which the OfS Audit Code of Practice requires us to report to you if, in our opinion:

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated, or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

### Use of the audit report

This report is made solely to the governing body in accordance with the charter and ordinances of the University. Our audit work has been undertaken so that we might state to the governing body 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 Group and University and the governing body, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed:

**DRA Bott (Senior Statutory Auditor)**  
**for and on behalf of Mazars LLP**  
Chartered Accountants and Statutory Auditor  
90 Victoria Street, Bristol BS1 6DP

Date: 30 November 2023

## KEY FINANCIAL STATEMENTS

### Statement of comprehensive income

Year ended 31 July 2023

Note	Income	Consolidated		University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>1,3</b>	Tuition fees and education contracts	197,257	188,935	186,912	178,575
<b>2,3</b>	Funding body grants	36,535	32,883	36,535	32,883
<b>3,5</b>	Research grants and contracts	34,277	38,046	34,039	37,816
<b>6</b>	Other income	57,649	46,106	52,163	42,126
<b>7</b>	Investment income	6,577	6,829	7,358	7,267
<b>8</b>	Donations and endowments	5,507	4,058	4,903	3,601
	<b>Total income</b>	<b>337,802</b>	<b>316,857</b>	<b>321,910</b>	<b>302,268</b>
	<b>Expenditure</b>				
<b>4,9</b>	Staff costs	203,025	188,296	196,808	182,030
<b>9,25</b>	Staff costs – movement in pension provision	(19,594)	72,007	(19,594)	72,007
	Other operating expenses	121,548	111,043	108,255	97,491
<b>13,14</b>	Depreciation and amortisation	29,003	28,915	28,724	28,598
<b>10</b>	Interest and other finance costs	11,015	6,274	11,462	5,705
<b>11</b>	<b>Total expenditure</b>	<b>344,997</b>	<b>406,535</b>	<b>325,655</b>	<b>385,831</b>
	<b>Total income less total expenditure</b>	<b>(7,195)</b>	<b>(89,678)</b>	<b>(3,745)</b>	<b>(83,563)</b>
	(Loss)/gain on disposal of property, plant and equipment	(19)	56	(24)	65
<b>17</b>	Gain on disposal of investment properties	27	22	27	22
	Gain on disposal of investments	2,779	3,041	2,779	3,041
<b>17</b>	(Loss)/gain on revaluation of investment properties	(897)	37,538	(897)	37,538
	Loss on revaluation of investments	(2,902)	(1,892)	(2,881)	(1,892)
<b>19</b>	Share of operating surplus in associates	468	2,520	-	-
	<b>Deficit before tax</b>	<b>(7,739)</b>	<b>(48,393)</b>	<b>(4,741)</b>	<b>(44,789)</b>
<b>12</b>	Taxation charge	(513)	(70)	(349)	(187)
	<b>Deficit for the year (including (decrease)/increase in pension provision)</b>	<b>(8,252)</b>	<b>(48,463)</b>	<b>(5,090)</b>	<b>(44,976)</b>
<b>14</b>	Surplus on revaluation of property, plant and equipment	14,811	2,430	14,811	2,430
	Surplus on revaluation of property, plant and equipment held by associate	7,763	2	-	-
<b>19</b>	Remeasurement (losses)/gains in respect of pension schemes	(1,522)	22,231	(1,522)	22,231
	Exchange differences on consolidation of overseas subsidiaries	(713)	(338)	-	-
	<b>Total comprehensive income/(expense) for the year</b>	<b>12,087</b>	<b>(24,138)</b>	<b>8,199</b>	<b>(20,315)</b>
	<b>Represented by:</b>				
	Endowment comprehensive income for the year	(969)	(4,523)	(969)	(4,523)
	Restricted comprehensive income for the year	749	(571)	621	(638)
	Unrestricted comprehensive income/(expense) for the year	(10,267)	(21,476)	(6,264)	(17,584)
	Revaluation reserve comprehensive income for the year	22,574	2,432	14,811	2,430
		<b>12,087</b>	<b>(24,138)</b>	<b>8,199</b>	<b>(20,315)</b>

All items of income and expenditure arise from continuing activities.



## Statement of changes in reserves

Year ended 31 July 2023

	Income and expenditure account			Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
<b>Consolidated</b>					
<b>At 1 August 2021</b>	<b>107,353</b>	<b>4,619</b>	<b>308,791</b>	<b>54,438</b>	<b>475,201</b>
Deficit for the year	(4,523)	(571)	(43,369)	-	(48,463)
Other comprehensive income	-	-	21,893	2,432	24,325
Transfers between revaluation and unrestricted reserves	-	-	2,430	(2,430)	-
<b>At 1 August 2022</b>	<b>102,830</b>	<b>4,048</b>	<b>289,745</b>	<b>54,440</b>	<b>451,063</b>
(Deficit)/surplus for the year	(969)	749	(8,032)	-	(8,252)
Other comprehensive income	-	-	(2,235)	22,574	20,339
Transfers between revaluation and unrestricted reserves	-	-	14,811	(14,811)	-
<b>At 31 July 2023</b>	<b>101,861</b>	<b>4,797</b>	<b>294,289</b>	<b>62,203</b>	<b>463,150</b>

	Income and expenditure account			Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
<b>University</b>					
<b>At 1 August 2021</b>	<b>107,353</b>	<b>3,755</b>	<b>318,280</b>	<b>35,893</b>	<b>465,281</b>
Deficit for the year	(4,523)	(638)	(39,815)	-	(44,976)
Other comprehensive expense	-	-	22,231	2,430	24,661
Transfers between revaluation and unrestricted reserves	-	-	2,430	(2,430)	-
<b>At 1 August 2022</b>	<b>102,830</b>	<b>3,117</b>	<b>303,126</b>	<b>35,893</b>	<b>444,966</b>
(Deficit)/surplus for the year	(969)	621	(4,742)	-	(5,090)
Other comprehensive expense	-	-	(1,522)	14,811	13,289
Transfers between revaluation and unrestricted reserves	-	-	14,811	(14,811)	-
<b>At 31 July 2023</b>	<b>101,861</b>	<b>3,738</b>	<b>311,673</b>	<b>35,893</b>	<b>453,165</b>

## Statement of financial position

At 31 July 2023

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Note Non-current assets</b>				
<b>13</b> Intangible assets	5,591	6,990	5,591	6,990
<b>14</b> Property, plant and equipment	335,887	342,571	335,178	341,767
<b>15</b> Heritage assets	39,173	39,173	39,173	39,173
<b>16</b> Biological assets	655	807	655	807
<b>17</b> Investment properties	176,251	162,598	176,251	162,598
<b>18</b> Non-current investments	30,089	28,526	29,905	28,333
<b>19</b> Investments in associates	38,121	29,890	10,567	10,567
	<b>625,767</b>	<b>610,555</b>	<b>597,320</b>	<b>590,235</b>
<b>Current assets</b>				
Stock	1,556	1,588	1,548	1,588
<b>20</b> Trade and other receivables	66,719	66,084	63,066	62,832
<b>21</b> Current investments	93,764	99,496	93,764	99,496
Cash and cash equivalents	27,388	42,816	24,346	38,295
	<b>189,427</b>	<b>209,984</b>	<b>182,724</b>	<b>202,211</b>
<b>22 Creditors:</b> Amounts falling due within one year	(124,445)	(120,288)	(116,404)	(111,617)
<b>Net current assets</b>	<b>64,982</b>	<b>89,696</b>	<b>66,320</b>	<b>90,594</b>
<b>Total assets less current liabilities</b>	<b>690,749</b>	<b>700,251</b>	<b>663,640</b>	<b>680,829</b>
<b>23 Creditors:</b> Amounts falling due after more than one year	(145,365)	(152,652)	(145,365)	(152,652)
<b>Provisions</b>				
<b>25</b> Pension provisions	(61,433)	(74,665)	(61,433)	(74,665)
<b>26</b> Other provisions	(20,801)	(21,871)	(3,677)	(8,546)
<b>Total net assets</b>	<b>463,150</b>	<b>451,063</b>	<b>453,165</b>	<b>444,966</b>
<b>Restricted reserves</b>				
<b>27</b> Income and expenditure reserve – endowment	101,861	102,830	101,861	102,830
<b>28</b> Income and expenditure reserve – other restricted	4,797	4,048	3,738	3,117
<b>Unrestricted reserves</b>				
Income and expenditure reserve – unrestricted	294,289	289,745	311,673	303,126
Revaluation reserve	62,203	54,440	35,893	35,893
<b>Total reserves</b>	<b>463,150</b>	<b>451,063</b>	<b>453,165</b>	<b>444,966</b>

The financial statements on pages 63 to 106 were approved by Council on 30 November 2023, and signed on its behalf by:

**Mrs H Gordon**  
President of the Council

**Prof R Van de Noort**  
Vice-Chancellor

**Mr A Grice**  
Director of Finance



## Statement of cash flows

Year ended 31 July 2023

	Consolidated	
	2023 £'000	2022 £'000
<b>Cash flow from operating activities</b>		
Deficit for the year before tax	(7,739)	(48,393)
<b>Adjustments for non-cash items:</b>		
Depreciation and amortisation	29,003	28,915
Loss/(gain) on revaluation of investment properties	897	(37,538)
Loss on revaluation of investments	2,902	1,892
Loss/(gain) on revaluation of biological assets	144	(151)
Exchange differences	(623)	(341)
Decrease/(increase) in stock	32	(302)
(Increase)/decrease in receivables	(582)	3,555
Increase in creditors	868	13,290
(Decrease)/increase in pension provisions	(17,228)	71,480
(Decrease)/ increase in other provisions	(1,070)	1,493
Share of operating surplus in associates	(468)	(2,745)
<b>Adjustments for investing or financing activities:</b>		
Investment income	(6,577)	(6,829)
Capital grant income	(3,042)	(4,686)
New endowments	(2,043)	(10)
Interest payable	11,015	6,274
Loss/(gain) on disposal of property, plant and equipment	19	(56)
Gain on disposal of investment properties	(27)	(11,927)
Gain on disposal of investments	(2,779)	(3,041)
	<b>2,702</b>	<b>10,880</b>
Tax paid	(513)	(293)
<b>Net cash inflow from operating activities</b>	<b>2,189</b>	<b>10,587</b>
<b>Cash flows from investing activities</b>		
Proceeds from sales of property, plant and equipment and investment properties	-	169
Proceeds from sales of land in previous years	-	14,694
Net receipts for investments	4,047	485
Investment income	5,117	6,374
Capital grants received	3,042	4,686
Payments made to acquire property, plant and equipment	(20,724)	(13,034)
Net receipts for biological assets	8	3
Payments made to acquire investment properties	(69)	(31)
	<b>(8,579)</b>	<b>13,346</b>
<b>Cash flows from financing activities</b>		
New endowments	2,043	10
Interest paid	(7,081)	(5,863)
Repayments of amounts borrowed	(4,000)	(27,000)
	<b>(9,038)</b>	<b>(32,853)</b>
<b>Decrease in cash and cash equivalents in the year</b>	<b>(15,428)</b>	<b>(8,920)</b>
Cash and cash equivalents at beginning of the year	42,816	51,736
<b>Cash and cash equivalents at end of the year</b>	<b>27,388</b>	<b>42,816</b>

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The University of Reading is registered with the Office for Students (OfS) in England. The address of the registered office is Whiteknights House, Whiteknights, Reading, RG6 6UR.

### Accounting convention

The Group and University financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the “carried forward” powers and duties of previous legislation (the Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Accounts Direction issued by the OfS, the terms and conditions of funding for higher education institutions issued by OfS, and the terms and conditions of the Research England grant.

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

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

### Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain assets, including investment properties, biological assets and certain investments.

The University’s activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. This also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

The accounts have been prepared on a going concern basis and, since the COVID-19 pandemic began in March 2020, regular formal and detailed going concern monitoring has taken place. It is anticipated that the pandemic’s main impacts on the University in 2023/24 will continue to be on international student recruitment, the freezing of domestic tuition fees, and commercial income streams generated through on-campus activities such as halls of residence and catering. Inflation, utility costs and higher interest rates have recently added to the receding pandemic-related risks.

Our financial planning going forward has sufficient check points in place to ensure we maintain cash levels and invest in our infrastructure by generating sufficient cash from operations on an annual basis. Numerous, prudent scenarios have been forecast over a three-year cycle and consideration has been given to the cash flow implications and also the impact on any loan and covenant arrangements. Whilst income loss impacts are anticipated, the University is well placed to respond to this through a series of planned and tested mitigations. In addition, the University has access to funds through its investment assets. Taking all of this into consideration, the University is able to meet all obligations, including loan repayments, and can meet its covenants. The University is therefore considered a going concern.

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

### Basis of consolidation

The consolidated financial statements include the University, the University’s subsidiary companies and the University’s trusts. The results of subsidiaries, acquired or disposed of during the period, are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal.

Non-company charitable subsidiaries, including trusts, are aggregated into the University accounts where they meet the definition of a “special trust” as per section 287 of the Charities Act 2011. Where a trust does not meet the definition of a special trust, but control can be demonstrated by the University, it is consolidated.

Intra-Group transactions, gains and losses are eliminated on consolidation. Intra-Group amounts receivable and amounts payable are also eliminated on consolidation.

The consolidated financial statements also include the Group’s share of the total comprehensive income of associated undertakings using the equity method.

The consolidated financial statements do not include the activities of the students’ union as the University does not exert control or dominant influence over policy decisions.



## Income recognition

### (i) Goods and services

Income from the sale of goods or services is credited to the statement of comprehensive income when the goods or services are supplied or the terms of the contract have been satisfied.

### (ii) Fee income

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

### (iii) Revenue grants

Revenue grants from both government and non-government sources, including all teaching and research grants, are recognised within the statement of comprehensive income when the University is entitled to the income and any performance-related conditions have been met. Income received in advance of performance-related conditions is deferred in the statement of financial position and released in line with such conditions being met.

### (iv) Capital grants

Capital grants from both government and non-government sources are recorded in the statement of comprehensive income when the University is entitled to the income, subject to any performance-related conditions being met.

### (v) Investment income

Investment income is credited to the statement of comprehensive income on a receivable basis.

### (vi) Donations and endowments

Donations and endowments are types of non-exchange transactions which are recognised within the statement of comprehensive income when the University is entitled to the income and any performance-related conditions have been met.

Where donations and endowments include donor-imposed restrictions, income is retained within a restricted reserve until such time as it is utilised in line with the restrictions, at which point the income is released to general reserves through a reserve transfer.

Investment income from endowments and changes in the fair value of endowments are recorded in the statement of comprehensive income in the period

in which they arise, as either restricted or unrestricted income according to the terms applicable to the individual endowment fund.

The main types of endowment are given below.

- Unrestricted permanent endowments are funds where the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- Restricted expendable endowments are funds where the donor has specified a particular objective, other than the purchase or construction of property, plant and equipment, and the University can convert the donated sum into income.
- Restricted permanent endowments are funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. Paragraph PBE 34.73(b) of FRS 102 requires income from donations of fixed assets to be measured at the fair value of the fixed asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

The University's trusts are excluded from University endowments and are included on consolidation.

### (vii) Agency arrangements

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

## Accounting for retirement benefits

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Reading Employees' Pension Fund (UREPF) and the University of Reading Pension Scheme (URPS).

USS is a multi-employer hybrid scheme which has both defined benefit and defined contribution elements. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by Section 28 of FRS 102 "Employee benefits", it accounts for the scheme as if it were a defined

contribution scheme. As a result, contributions are recognised as an expense in the period during which services are rendered by employees. Additionally, since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contractual commitment to fund past deficits within the USS scheme.

UREPF is a defined benefit scheme which closed to new members on 31 July 2011. The assets of the scheme are held in a separate trustee-administered fund. The scheme is valued every three years by a professionally qualified independent actuary using the projected unit credit method, and the rates of contribution payable are determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. The Group's net obligation is calculated by discounting to present value the estimated amount of future benefit that employees have earned in return for their service in the current and prior periods less the fair value of any plan assets. The statement of comprehensive income is charged with the current service cost, any past service costs, the net financing cost attributable to the pension liabilities and return on assets, and administrative expenses paid from plan assets. Actuarial gains and losses on the scheme, including the differences between expected and actual return on scheme assets, are recognised in other comprehensive income. When the calculation results in a surplus, the asset recognised is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan. It takes into account the adverse effect of any minimum funding requirements.

URPS is a defined contribution scheme which was established on 1 August 2011 and is available to staff not eligible to join the USS scheme. Contributions are recognised as an expense in the period during which services are rendered by employees.

A small number of staff remain in other pension schemes.

## Employee benefits

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

## Leases

### (i) Finance leases

Leases in which the University substantially assumes all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets held under finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Minimum lease payments are apportioned between a finance charge and a reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### (ii) Operating leases

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

### (iii) Service concession arrangements

Items of property, plant and equipment held under service concession arrangements are recognised in the statement of financial position at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. Payments under each service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

### (iv) Lessor accounting

Where the University acts as a lessor under an operating lease, the leased asset is recognised within property, plant and equipment, and lease income is recognised on a straight-line basis over the lease term. Where the University acts as a lessor under a finance lease, an amount receivable is recognised in the statement of financial position and lease payments are split between crediting the principle amount and finance income.

## Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are



recognised in the statement of comprehensive income in the period in which they arise. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at the foreign exchange rate ruling at the date the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into sterling at the foreign exchange rate ruling at the reporting date. Income and expenditure of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rate ruling at the date of the transaction. Exchange differences arising from the translation of foreign operations are reported in other comprehensive income.

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from UK corporation tax in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 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. Non-charitable subsidiary companies are liable to corporation tax.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its expenditure. Irrecoverable VAT is included in the costs of such expenditure. Any irrecoverable VAT allocated to an item of property, plant and equipment is included in its cost.

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

Deferred tax is provided in full in respect of all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or less tax in the future have occurred at the reporting date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

Intangible assets

Intangible assets acquired or developed are initially recognised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Software acquired or developed	4–10 years
--------------------------------	------------

A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable.

Property, plant and equipment

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a single item of PPE have different useful lives, they are accounted for as separate items of PPE. Costs incurred in relation to PPE after its initial purchase or production are capitalised to the extent that they increase the expected future benefits to the University from the existing PPE beyond its previously assessed standard of performance. The costs of any such enhancements are added to the carrying amount of the PPE concerned.

Assets under construction are not depreciated until they are brought into use.

Where material, the anticipated useful economic life of PPE is reviewed annually and the accumulated and future depreciation adjusted.

Expenditure to ensure that PPE maintains its standard of performance is recognised in the statement of comprehensive income when it is incurred. The University has a comprehensive planned maintenance programme, which is reviewed on an annual basis.

(i) Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. The components of freehold buildings are depreciated on a straight-line basis over their expected useful lives. The expected useful lives of these components are shown below, although where it is expected that an individual asset will have a shorter or longer useful life, its life is adjusted accordingly.

Fabric – construction	20–50 years
Fabric – improvements and extensions	10–30 years
Mechanical and electrical	20 years

(ii) Plant, machinery and equipment

The purchase of equipment costing less than £10,000 per individual item or group of related items is charged to the statement of comprehensive income in the year of acquisition. All other equipment is capitalised and depreciated over its expected useful life. The expected useful lives by class of asset are shown below, although where it is expected that an individual asset will have a shorter or longer useful life, its life is adjusted accordingly.

Plant and machinery	4–10 years
General equipment	4–10 years
Computers	4 years
Motor vehicles	4 years
Equipment acquired for specific research projects	3 years

(iii) Impairment

A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of an item of PPE may not be recoverable.

(iv) Borrowing costs

Borrowing costs directly relating to expenditure on the construction, development or major refurbishment of qualifying PPE are capitalised. The amount capitalised is calculated using the University's weighted average cost of borrowings over the period from the commencement of the work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Heritage assets

Heritage assets are books, manuscripts, specimens, artworks, objects or other assets that have historical, artistic, scientific, technological, geophysical or environmental qualities and are held and maintained principally for their contribution to knowledge and culture.

Heritage assets are stated at cost less accumulated impairment losses. Heritage assets are capitalised where information on their cost or value is available. Where this information is not available without undue cost, the assets are not capitalised. Heritage assets are not depreciated due to their long economic life and high residual value.

Agriculture

Biological assets are living animals or plants held as non-current assets from which economic benefits flow to the University. Agricultural produce is the harvested product of a biological asset. The University's farming operations include dairy cattle which are classified as biological assets. Dairy cattle are stated at fair value less costs to sell. Changes in fair value less costs to sell are recognised in the statement of comprehensive income. The associated agricultural produce, milk, is stored only for a short time before onward sale and hence the value held is not considered material and is not included in the statement of financial position.

The University's operations also include arable farming from which economic benefits are derived. The plants and their harvested crops are treated as current assets within stock.

Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income. Properties are not depreciated but are revalued annually according to market conditions as at the reporting date.

Investments in associated undertakings

Associated undertakings are those entities in which the University has significant influence, but not control, over the financial and operating policies. In the consolidated financial statements, investments in associated undertakings are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the surplus or deficit and other comprehensive income of the associate.



For the purposes of presenting a fair view of the University's investment in its associate, the University makes several adjustments to the values disclosed in the audited financial statements of UPP (Reading I) Limited for the preceding year ended 31 August, and its forecast results for the 11 months to the current University year-end date.

## Stock

Stock is stated at the lower of cost and net realisable value after making due provision for obsolete and slow moving items.

## Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group has chosen to adopt sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments.

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of a financial instrument and they are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### i) Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of change in value.

### ii) Investments

Investments which are publicly traded, or where their fair value can be measured reliably, are subsequently measured at fair value with movements recognised in the statement of comprehensive income. Other investments, including investments in subsidiaries and associates, are subsequently measured at cost less any provision for impairment in their value in the University's statement of financial position.

Where fair value measurement is applied, the best evidence of fair value is considered to be a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated using a valuation technique.

### iii) Debt instruments

Debt instruments payable or receivable which meet the conditions in paragraph 11.8(b) of FRS 102 are subsequently measured at amortised cost using the effective interest method. Other debt instruments not meeting these conditions are measured at fair value with movements recognised in the statement of comprehensive income.

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

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, is cancelled or expires.

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## Provisions, contingent liabilities and contingent assets

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that an outflow 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 determined by discounting the expected future cash flows at a rate that reflects risks specific to the liability.

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

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

Contingent assets and liabilities are disclosed by way of note where there is a possible rather than actual or probable asset or obligation arising from a past event or where it is not possible to measure the asset or obligation.

## Reserves

Reserves are categorised as either restricted or unrestricted reserves.

Restricted reserves include endowment reserves and other restricted reserves. Where the terms of an endowment indicate a restriction on the use of the fund, the balance is held within restricted endowment reserves. Other restricted reserves include amounts received for which a donor has designated a specific purpose for the use of these funds.

All other reserves are treated as unrestricted.



# NOTES TO THE FINANCIAL STATEMENTS

## 1 Tuition fees and education contracts

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Full-time home and EU students	106,514	101,051	102,865	101,052
Full-time international students	65,070	61,103	65,070	57,628
Part-time students	10,066	11,890	4,912	6,390
Research training support grants	4,068	3,968	4,068	3,968
Short course fees	1,542	1,386	-	-
Education contracts	9,997	9,537	9,997	9,537
	<b>197,257</b>	<b>188,935</b>	<b>186,912</b>	<b>178,575</b>

## 2 Funding body grants

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Recurrent grants				
Office for Students	6,085	5,832	6,085	5,832
Research England	19,986	19,639	19,986	19,639
Capital grants	3,042	1,759	3,042	1,759
Specific grants				
OfS and UK Research and Innovation	4,362	2,276	4,362	2,276
Higher Education Innovation Fund	3,060	3,377	3,060	3,377
	<b>36,535</b>	<b>32,883</b>	<b>36,535</b>	<b>32,883</b>

The University receives its main grant funding from the Office for Students (OfS) and UK Research and Innovation (via Research England).

## 3 Grant and fee income

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Grant income from the OfS	8,857	7,591	11,244	7,591
Grant income from other bodies	27,678	25,292	25,292	25,292
Fee income for research awards (exclusive of VAT)	34,277	38,046	34,039	37,816
Fee income from non-qualifying courses (exclusive of VAT)	5,610	5,354	4,068	3,968
Fee income for taught awards (exclusive of VAT)	191,647	183,581	182,844	174,607
	<b>268,069</b>	<b>259,864</b>	<b>257,487</b>	<b>249,274</b>

This note provides a breakdown of the income shown in the Statement of comprehensive income under the headings; Tuition fees and education contracts, Funding body grants, and Research grants and contracts.

## 4 Access and participation

	University	
	2023 £'000	2022 £'000
Access investment	2,350	2,385
Financial support	3,692	3,640
Disability support (in addition to above)	832	840
Research and evaluation	263	98
	<b>7,137</b>	<b>6,963</b>

Included in the above are the following staff costs. Further information on staff costs is given in note 9.

	University	
	2023 £'000	2022 £'000
Access investment – permanent staff	1,338	1,321
Access investment – student ambassadors	89	84
Disability support	637	560
Research and evaluation	251	88
	<b>2,315</b>	<b>2,053</b>

Details of the University's current access and participation plan can be found here:  
[www.reading.ac.uk/ready-to-study/study/student-access-participation-plans](http://www.reading.ac.uk/ready-to-study/study/student-access-participation-plans)

## 5 Research grants and contracts

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Research Councils	15,896	16,193	15,896	16,193
Charities	3,281	4,551	3,281	4,551
Industry and commerce	5,510	4,828	5,410	4,606
Government (UK and overseas)	9,590	12,474	9,452	12,466
	<b>34,277</b>	<b>38,046</b>	<b>34,039</b>	<b>37,816</b>



## 6 Other income

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Residences, catering and conferences	10,320	8,660	10,299	8,616
Other revenue grants	748	920	748	920
Other capital grants	-	2,927	-	2,927
Other income	46,581	33,599	41,116	29,663
	<b>57,649</b>	<b>46,106</b>	<b>52,163</b>	<b>42,126</b>

Other income arises from a number of sources including executive education, property rentals, catering, conferences, the SportsPark, consultancy and enterprise activities and the Government furlough scheme. There were no amounts receivable from the Government furlough scheme (2022: £33.6k).

## 7 Investment income

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Income from short-term investments	4,173	6,469	4,954	6,907
Interest receivable on the deferred proceeds of sale of land	944	-	944	-
Net return on pension scheme	1,460	360	1,460	360
	<b>6,577</b>	<b>6,829</b>	<b>7,358</b>	<b>7,267</b>

## 8 Donations and endowments

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
New endowments	2,043	10	2,043	10
Donations with restrictions	2,881	3,682	2,468	3,377
Unrestricted donations	583	366	392	214
	<b>5,507</b>	<b>4,058</b>	<b>4,903</b>	<b>3,601</b>

## 9 Staff costs

	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Salaries	144,819	136,066	139,536	130,690
Social security costs	15,194	13,897	14,760	13,448
Pension costs	42,370	37,956	41,905	37,617
Other staff costs	642	377	607	275
	<b>203,025</b>	<b>188,296</b>	<b>196,808</b>	<b>182,030</b>
Movement in USS pension provision (note 25) excluding pension interest charge (note 10)	(19,594)	72,007	(19,594)	72,007
	<b>183,431</b>	<b>260,303</b>	<b>177,214</b>	<b>254,037</b>

### Vice-Chancellor's remuneration

The Vice-Chancellor is de facto the University's Chief Executive Officer, and as such has overall responsibility for the effective management of the University. The Vice-Chancellor is the accountable officer responsible for effective governance and the financial stewardship of the University. The Vice-Chancellor is responsible to and works closely with the President of the Council in these matters and in all other aspects of the work of the governing body. Working alongside Council members, the Senate and the University Executive Board, the Vice-Chancellor leads the strategic development of the University, ensuring its academic and financial sustainability.

The University has a global presence and the Vice-Chancellor is required to promote its interests at home and overseas, and is expected to develop strong relationships with Government representatives, the Office for Students, Universities UK and other key stakeholders. The Vice-Chancellor role is highly visible, multi-faceted and very challenging. Leading the institution, ensuring its good governance and financial stability, and representing its interests across a complex matrix of settings is time-consuming and demanding of the post-holder. With all of this in mind, the Remuneration Committee considers arrangements for the Vice-Chancellor's remuneration. The Committee utilises evidence from both inside and outside the HE sector to benchmark the Vice-Chancellor's pay.

The President of Council sets the Vice-Chancellor's objectives on the Committee's behalf, ensuring they are aligned to the University strategy. The Vice-Chancellor's appraisal is conducted by the President of the Council following consultation with the Remuneration Committee. In assessing personal and collective performance the Committee gives due regard to a series of institutional performance indicators including financial performance, student numbers, research income, external accreditation, league tables and staff survey outcomes.

	Prof Robert Van de Noort	
From:	1 Aug 2022	1 Aug 2021
To:	31 Jul 2023	31 Jul 2022
	£000	£000
Salary	210	201
Bonus	5	5
Performance-related pay	-	-
Living accommodation provided	-	-
	<b>215</b>	<b>206</b>
Pension contributions to USS	45	43
	<b>260</b>	<b>249</b>

University pension contributions to USS are paid at the same rate as for other academic staff. The Vice-Chancellor also participates in salary sacrifice schemes in respect of his USS contributions; such opportunities are available to all staff.

The current Vice Chancellor's basic salary is 6.2 times the median pay of staff (2022: 6.4), where the median pay is calculated on a full-time equivalent basis. His total remuneration is currently 6.2 times the median total remuneration of staff (2022: 6.4).



## 9 Staff costs (continued)

### Higher paid staff

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

	2023 Number	2022 Number
£100,000 to £104,999	13	9
£105,000 to £109,999	9	10
£110,000 to £114,999	10	6
£115,000 to £119,999	4	4
£120,000 to £124,999	4	6
£125,000 to £129,999	4	2
£130,000 to £134,999	3	4
£135,000 to £139,999	4	1
£140,000 to £144,999	1	2
£145,000 to £149,999	2	2
£150,000 to £154,999	1	2
£155,000 to £159,999	1	-
£160,000 to £164,999	-	1
£170,000 to £174,999	2	-
£175,000 to £179,999	1	-
£180,000 to £184,999	-	1
£185,000 to £189,999	1	-
£195,000 to £199,999	1	1
£210,000 to £214,999	1	-
£275,000 to £279,999	-	1
	<b>62</b>	<b>52</b>

	2023 £000	2022 £000
Compensation for loss of office to 56 employees (2022: 72)	542	464

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University has identified its key management personnel as being the members of the University Executive Group consisting of the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors, the Director of Finance and the Chief Strategy Officer & University Secretary. This covers 8 posts (2022: 10).

	2023 £000	2022 £000
Salary and benefits of key management personnel (including pension contributions)	1,208	1,288

### Average staff numbers by major category:

	Number	Number
Academic	1,051	1,021
Research	270	302
Management and specialist	1,001	972
Technical	139	139
Other	1,071	1,042
	<b>3,532</b>	<b>3,476</b>

## 10 Interest and other finance costs

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Interest and other finance costs</b>				
Loan interest	8,123	6,047	7,477	5,488
Net interest charge on pension schemes	3,934	411	3,934	411
Exchange differences	(465)	382	29	(180)
Other	(577)	(566)	22	(14)
	<b>11,015</b>	<b>6,274</b>	<b>11,462</b>	<b>5,705</b>

## 11 Analysis of total expenditure by activity

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Analysis of total expenditure by activity</b>				
Academic and related expenditure	165,880	154,378	159,248	148,238
Administration and central services	78,516	62,786	72,615	61,213
Premises	49,996	42,121	48,178	40,268
Catering and conferences	15,053	16,851	14,640	16,709
Research grants and contracts	34,075	37,585	33,996	37,537
Other expenses	21,071	20,807	16,572	9,859
Movement in USS pension provision	(19,594)	72,007	(19,594)	72,007
	<b>344,997</b>	<b>406,535</b>	<b>325,655</b>	<b>385,831</b>

Prior year figures have been restated to provide a more comparable analysis.

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Other operating expenses include:</b>				
Operating lease rentals				
• Land and buildings	3,042	3,091	1,718	1,679
• Other	650	651	296	228
External auditor's remuneration				
• Audit services	338	301	221	190
• Non-audit services	53	46	34	20

## 12 Taxation charge

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Taxation charge</b>				
Share of current tax from associates	-	(225)	-	-
Overseas – current tax	513	293	349	187
Other	-	2	-	-
	<b>513</b>	<b>70</b>	<b>349</b>	<b>187</b>

Most of the University's activities in the UK are exempt from corporation tax.



## 13 Intangible assets

Consolidated & University Cost or valuation	Software	Software under development	Total
	£'000	£'000	£'000
At 1 August 2022	14,334	1,318	15,652
Additions	-	1,325	1,325
Transfers between categories	1,061	(1,061)	-
<b>At 31 July 2023</b>	<b>15,395</b>	<b>1,582</b>	<b>16,977</b>
<b>Amortisation</b>			
At 1 August 2022	8,662	-	8,662
Charge for the year	2,724	-	2,724
<b>At 31 July 2023</b>	<b>11,386</b>	<b>-</b>	<b>11,386</b>
<b>Net book value at 31 July 2023</b>	<b>4,009</b>	<b>1,582</b>	<b>5,591</b>
<b>Net book value at 31 July 2022</b>	<b>5,672</b>	<b>1,318</b>	<b>6,990</b>

## 14 Property, plant and equipment

Consolidated Cost or valuation	Land and buildings	Plant and machinery	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	520,357	46,600	102,586	3,627	673,170
Additions	2,864	1,620	5,424	9,491	19,399
Revaluation	14,811	-	-	-	14,811
Transfers between categories	550	-	1,241	(1,791)	-
Transfers to investment properties	(15,276)	(398)	(278)	(52)	(16,004)
Transfers from investment properties	785	-	-	-	785
Disposals	(50)	(42)	(1,690)	-	(1,782)
Exchange differences	(53)	-	(336)	-	(389)
<b>At 31 July 2023</b>	<b>523,988</b>	<b>47,780</b>	<b>106,947</b>	<b>11,275</b>	<b>689,990</b>
<b>Depreciation</b>					
At 1 August 2022	215,380	32,930	82,289	-	330,599
Charge for the year	15,964	3,013	7,302	-	26,279
Transfers to investment properties	(85)	(398)	(255)	-	(738)
Disposals	(29)	(38)	(1,671)	-	(1,738)
Exchange differences	(30)	(1)	(268)	-	(299)
<b>At 31 July 2023</b>	<b>231,200</b>	<b>35,506</b>	<b>87,397</b>	<b>-</b>	<b>354,103</b>
<b>Net book value at 31 July 2023</b>	<b>292,788</b>	<b>12,274</b>	<b>19,550</b>	<b>11,275</b>	<b>335,887</b>
<b>Net book value at 31 July 2022</b>	<b>304,977</b>	<b>13,670</b>	<b>20,297</b>	<b>3,627</b>	<b>342,571</b>

Total aggregate capitalised finance costs to date within property, plant and equipment at 31 July 2023 were £193.1k (2022: £48.6k).

## 14 Property, plant and equipment (continued)

University Cost or valuation	Land and buildings	Plant and machinery	Equipment	Assets in the course of construction	Total
	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	519,898	46,600	98,521	3,617	668,636
Additions	2,797	1,620	5,213	9,491	19,121
Revaluation	14,811	-	-	-	14,811
Transfers between categories	550	-	1,235	(1,785)	-
Transfers to investment properties	(15,276)	(398)	(278)	(52)	(16,004)
Transfers from investment properties	785	-	-	-	785
Disposals	(20)	(42)	(1,457)	(1)	(1,520)
<b>At 31 July 2023</b>	<b>523,545</b>	<b>47,780</b>	<b>103,234</b>	<b>11,270</b>	<b>685,829</b>
<b>Depreciation</b>					
At 1 August 2022	215,105	32,929	78,835	-	326,869
Charge for the year	15,930	3,013	7,057	-	26,000
Transfers to investment properties	(85)	(398)	(255)	-	(738)
Disposals	-	(39)	(1,441)	-	(1,480)
<b>At 31 July 2023</b>	<b>230,950</b>	<b>35,505</b>	<b>84,196</b>	<b>-</b>	<b>350,651</b>
<b>Net book value at 31 July 2023</b>	<b>292,595</b>	<b>12,275</b>	<b>19,038</b>	<b>11,270</b>	<b>335,178</b>
<b>Net book value at 31 July 2022</b>	<b>304,793</b>	<b>13,671</b>	<b>19,686</b>	<b>3,617</b>	<b>341,767</b>

Included in land and buildings above is land which is not depreciated as follows:

Land not depreciated	Consolidated		University	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
	<b>18,287</b>	<b>18,011</b>	<b>18,287</b>	<b>18,011</b>

## 15 Heritage assets

Heritage assets include many unique items and collections that the University has accumulated since incorporation. These are held and maintained principally for their contribution to knowledge and culture. The University conserves these assets and augments the collections where appropriate in order to enable use of the assets for teaching and research and access to the assets for engagement with members of the public. The items and collections are carefully catalogued and custodianship is given to specific areas and persons for their care and maintenance.

The University's collections span museum, archive and library holdings of regional, national and international significance. These include the University's Library and archive Special Collections, the Art Collection, the Museum of English Rural Life, the Cole Museum of Zoology, the University Herbarium, the Ure Museum of Greek Archaeology, and the Lettering, Printing and Graphic Design Collections. These collections can be viewed by members of the public (some collections can only be viewed by appointment).

The University's Special Collections include rare books (pre-1851), private press books, modern literary first editions and other printed material. They also include over 300 archive collections, notably the Samuel Beckett Collection and the Archive of British Publishing and Printing, both of which are designated as outstanding collections by Arts Council England. Other collections cover a wide range of subjects from manuscripts dating back to the 12th century to modern records of the University.

The University's Art Collection comprises around 1,000 works of painting, drawing, sculpture and graphic art and includes many pieces of national and international significance.



15 Heritage assets (continued)

The *Museum of English Rural Life (MERL)* tells the story of rural England through interactive and immersive galleries. The collection has over 25,000 objects and the museum library has the most comprehensive collection of books related to rural England with around 50,000 volumes. The collection also contains hundreds of hours of historic film and over 1 million photographs, including material from prominent agricultural publications and organisations. The archives cover more than 4.5 kilometres of shelving.

The *Cole Museum of Zoology* was established in the early 20th century by Francis J. Cole, Professor of Zoology from 1907 to 1939. It contains around 4,000 specimens. The museum illustrates the relationship between form and function in the animal kingdom and houses one of Britain’s most important zoological collections. The Museum has now relocated to the new Health and Life Sciences Building.

The *University Herbarium* was founded in 1900 and contains over 260,000 dried plant specimens. The collection is rich in specimens from Europe, North Africa, Macaronesia, the Middle East, temperate South America and the Falkland Islands. Ferns and fern allies are also represented on a worldwide scale. There are very significant British lichen and bryophyte holdings.

The *Ure Museum of Greek Archaeology* was formed in the early 1920s and contains the fourth largest collection of ancient Greek ceramics in Britain. The collection primarily consists of material from the Greek and Greco-Roman civilisations of the Mediterranean, most notably Greek and Etruscan ceramics and terracottas. Other artefacts include prehistoric pottery and an important collection of Egyptian antiquities. The total size of the collection is over 2,000 objects.

The collections were valued in 2012 by an external antique and fine art dealer and valuer and this has been adopted as the deemed cost of the assets held at that date. A subsequent 2019 valuation exercise included assets on long-term loan to and insured by the University but these have not been included in the statement of financial position. The University discloses its heritage assets at cost rather than valuation as this class of asset is rarely exchanged by the University and valuations can fluctuate for individual items from year to year.

Subsequent major acquisitions have been recorded at cost. It can be expected that a small number of individual items may have been received by donation and these have not been included in the statement of financial position.

Consolidated & University Cost	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Acquisitions purchased with specific donations	-	-	-	-	-
Acquisitions purchased with University funds	-	-	-	-	-
Value of acquisitions by donation	-	-	1,777	-	-
Transfers out of collections	-	-	(1,950)	-	-
Net movement	-	-	(173)	-	-
At 1 August	39,173	39,173	39,346	39,346	39,346
Revaluations	-	-	-	-	-
At 31 July	39,173	39,173	39,173	39,346	39,346

The split of heritage assets by type of asset is:

Cost	Consolidated & University	
	2023 £'000	2022 £'000
Books & manuscripts	25,534	25,534
Artworks	3,938	3,938
Natural history	2,156	2,156
Agricultural	4,176	4,176
Other	3,369	3,369
	39,173	39,173

16 Biological assets

Consolidated & University Fair value less costs to sell	Dairy cattle £'000	Total £'000
At 1 August 2022	807	807
Net decrease in livestock	(8)	(8)
Decrease in fair value less costs to sell	(144)	(144)
At 31 July 2023	655	655

17 Investment properties

Consolidated & University Fair value	Total £'000
At 1 August 2022	162,598
Additions	69
Transfers from property, plant and equipment	15,266
Transfers to property, plant and equipment	(785)
Decrease in value of properties in year	(897)
At 31 July 2023	176,251

The University and its trusts hold a number of commercial and residential investment properties. All properties are valued at least once every three years. The most recent valuations have been carried out by Savills, a firm of independent valuers based in Reading, with considerable experience of the local residential and commercial property market. Savills are members of the Royal Institution of Chartered Surveyors (RICS).

Disposal at Didcot

In 2019 the University sold some land to the north east of Didcot in Oxfordshire to a housing developer. The University had owned the land for a number of years, during which time it had received income from farm-based tenants. The University has retained some land adjacent to the land disposed and will continue to let this.

Under the terms of the planning permission granted, the University is obliged to carry out a first phase of Section 106 improvement works associated with the site. Once these primary works have been completed, longer term Section 106 works will be undertaken by the developer and a party to a neighbouring development. The University will act as a guarantor over this second phase of works.

Proceeds from the sale are receivable in five instalments from the point of completion until 30 November 2024. Future instalments not yet received have been included in trade and other receivables at their present value using a discount rate of 5.58%. Proceeds associated with future Section 106 works have been included in deferred income within creditors.

The net income and gains recognised in the consolidated and University statement of comprehensive income in the year is shown below.

	£'000
Proceeds relating to Section 106 works	(63)
Expenditure relating to Section 106 works	(43)
	(106)
Adjustment to disposal costs expensed	23
Movement in discounting of receivable	944
Net income and gains recognised	861

Included within the original total proceeds recognised in 2019 was an amount of £4,048k, which was contingent on additional planning consent being obtained for a particular part of the site. The timeline associated with this agreement has now lapsed and so the income was removed in the prior year and treated as a cost of disposal. This piece of land has now been valued as Investment Property at a valuation of £8.6m (2022: £12m) and is included within investment property above.



## 18 Non-current investments

### Consolidated

#### Cost or valuation

	Listed investments £'000	Other investments £'000	Total £'000
At 1 August 2022	28,288	238	28,526
Additions	1,018	12	1,030
Sale of investments at book cost	(1,845)	-	(1,845)
Purchase of investments	3,209	-	3,209
Other net income and realised gains reinvested	(245)	-	(245)
Changes in market value	(565)	(21)	(586)
<b>At 31 July 2023</b>	<b>29,860</b>	<b>229</b>	<b>30,089</b>

### University

#### Cost or valuation

	Listed investments £'000	Other investments £'000	Total £'000
At 1 August 2022	28,288	45	28,333
Additions	1,018	-	1,018
Sale of investments at book cost	(1,845)	-	(1,845)
Purchase of investments	3,209	-	3,209
Other net income and realised gains reinvested	(245)	-	(245)
Changes in market value	(565)	-	(565)
<b>At 31 July 2023</b>	<b>29,860</b>	<b>45</b>	<b>29,905</b>

#### Listed investments comprise:

	Consolidated and University	
	2023 £'000	2022 £'000
Cazenove Capital Portfolio	29,757	28,169
Genus plc	103	119
	<b>29,860</b>	<b>28,288</b>

Listed investments are stated at market value using widely published bid prices. Other investments are stated at cost less amortisation.

On the 17th December 2020 the University of Reading entered into a series of contracts with Shinfield Studios Limited, under which Shinfield Studios Limited intend to develop land owned by the University at Thames Valley Science Park into a film studio complex. Also on this date the University of Reading subscribed and purchased one B Class share in Shinfield Studios Limited for consideration of £1. This B Class share entitles the holder to the same rights as 6% of the Ordinary Share Capital of Shinfield Studios Limited.

## 19 Investments in associates

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Share of operating surplus retained by associates	468	2,520	-	-
Share of current tax from associates	-	225	-	-
Surplus on revaluation of property, plant and equipment	7,763	2	-	-
Total comprehensive income in the year for associates	8,231	2,747	-	-
At 1 August	29,890	27,143	10,567	10,567
<b>At 31 July</b>	<b>38,121</b>	<b>29,890</b>	<b>10,567</b>	<b>10,567</b>

The University is party to an arrangement with UPP in respect of the provision and operation of its student residential accommodation. The accommodation is operated by UPP (Reading I) Limited, a wholly-owned subsidiary of UPP (Reading I) Holdings Limited. The University has granted long leasehold interests to UPP (Reading I) Limited in respect of the accommodation. The University has a 20% holding in both the equity and loan notes of UPP (Reading I) Holdings Limited and has accounted for its interest as an investment in an associated undertaking.

	Shares £'000	Loan notes £'000	Total £'000
<b>At 1 August 2022 and at 31 July 2023</b>	<b>441</b>	<b>10,126</b>	<b>10,567</b>

The loan notes are interest-bearing, secured and subordinate to the senior lender's security. They are transferrable subject to certain restrictions.

Under the arrangement with UPP, the associate and its wholly-owned subsidiaries have responsibility for the provision and operation of the accommodation. The University continues to provide certain soft facilities management services in respect of the accommodation.

For the purposes of presenting a fair view of the University's investment in its associate, the University makes a number of adjustments to the values disclosed in the audited financial statements of UPP (Reading I) Limited for the year ended 31 August 2022 and its forecast results for the 11 months ended 31 July 2023. These adjustments are to accord with University accounting policies and to give a fair view of the loan note interest the University is expected to receive from UPP. The adjustments are explained below.

University 20% share of UPP operating surplus	2023 £'000	2022 £'000
Loss before tax for the year ended 31 July 2023	(332)	(7,812)
Add back of goodwill amortisation for period above	14	14
Add back of loan note interest not expected to be payable	786	10,318
<b>Share of operating surplus retained by associates</b>	<b>468</b>	<b>2,520</b>

UPP (Reading I) Limited prepares accounts for the year ended 31 August, so the result for the year ended 31 July 2023 is a combination of the audited financial statements for the prior year and a forecast return from UPP of their results for the 11 month period ending 31 July 2023. Goodwill amortisation is adjusted here as it is University policy to write off goodwill. The UPP loan notes have a high coupon rate and the University has the opinion that the loan note interest will not be fully receivable so makes an adjustment to the value that the University considers will be receivable.



## 19 Investments in associates (continued)

University 20% share of UPP net assets	2023 £'000	2022 £'000
Share Capital per UPP (Reading I) Limited accounts year ended 31 August 2022	441	441
Revaluation reserve per UPP (Reading I) Limited accounts year ended 31 August 2022	26,310	18,548
Profit & Loss account per UPP (Reading I) Limited accounts year ended 31 August 2022	(11,668)	(12,207)
Expected loss for the period ended 31 July 2023 per UPP return	(1,978)	(1,109)
Adjustment for goodwill expected at 31 July 2023 per UPP return	(1,436)	(1,449)
Adjustment for loan note creditor not expected to be payable	16,326	15,540
Loan Notes (20% share)	10,126	10,126
<b>Investment in associate</b>	<b>38,121</b>	<b>29,890</b>

Goodwill is removed from the University's share of net assets in accordance with University policy. The loan note creditor is adjusted to a value that the University considers will be receivable. The University includes the property revaluations performed by UPP within the net assets of UPP as the properties will revert to the University at the end of the agreement. By recognising the property at the revalued balance, it reflects the substance of the transaction.

Consideration has been made as to whether the arrangement meets the criteria for classification as a service concession arrangement under Section 34 of FRS 102. Under the arrangement with UPP, the University has some, but not complete, control over the use and pricing of the accommodation units. The contract specifies a maximum price which may be charged, but UPP (Reading I) Limited are able to set a lower price. The University requires the rooms to be let primarily to students, but UPP (Reading I) Limited are able to fill any remaining rooms with non-students if the University consistently fails to fill the places.

The University takes on the risk of students defaulting on rental payments and some of the void risk for students not taking up assigned places. However, the University does not guarantee any particular level of occupancy or nominate a certain number of rooms. It also considers its involvement to be more akin to an agency arrangement rather than acting as principal. For these reasons, there is no minimum lease payment figure under the arrangement and therefore no asset or liability has been accounted for.

Included in the statement of comprehensive income are amounts receivable from/(payable to) the associate and its subsidiaries in respect of the following services.

	Income £'000	Expenditure £'000	2023 £'000	Income £'000	Expenditure £'000	2022 £'000
<b>Consolidated &amp; University</b>						
Rent collection	1,007	(43)	964	960	-	960
Facilities management services	2,095	-	2,095	1,947	-	1,947
Utilities	1,421	-	1,421	941	-	941
Estates service charge and infrastructure fees	558	-	558	532	-	532
Vacation residence and conferencing	271	-	271	226	-	226
Interest receivable on loan notes	397	-	397	434	-	434
Other income	25	-	25	41	-	41
Other expenditure	-	(123)	(123)	-	(253)	(253)
	<b>5,774</b>	<b>(166)</b>	<b>5,608</b>	<b>5,081</b>	<b>(253)</b>	<b>4,828</b>

The University charges and receives rents from students. Payments are then made to UPP (Reading I) Limited with reference to the number of units of student accommodation rental amounts during the year. Payments made to UPP (Reading I) during the year totalled £33.1m (2022: £31.4m) and have been netted with the income received from students in the statement of comprehensive income.

## 20 Trade and other receivables

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Amounts falling due within one year</b>				
Research grants receivables	11,688	10,335	11,688	10,335
Trade receivables	12,283	13,636	9,576	11,343
Proceeds due on the sale of land at Didcot	14,431	-	14,431	-
Developer receivables for the Shinfield Eastern Relief Road	-	577	-	577
Other receivables	3,778	3,410	3,028	2,334
Prepayments and accrued income	15,798	15,656	14,844	14,246
Amounts due from subsidiary undertakings	-	-	759	1,527
Amounts due from associated undertakings – UPP (Reading I) Limited	395	584	395	584
	<b>58,373</b>	<b>44,198</b>	<b>54,721</b>	<b>40,946</b>
<b>Amounts falling due after more than one year</b>				
Proceeds due on the sale of land at Didcot	8,162	21,648	8,162	21,648
Other receivables	184	238	183	238
	<b>66,719</b>	<b>66,084</b>	<b>63,066</b>	<b>62,832</b>

In connection with various activities in Shinfield in recent years, including sales of land to developers and the opening of Thames Valley Science Park, the University carried out the construction of the Shinfield Eastern Relief Road and related bridge over the M4. The road and bridge were opened during the year ended 31 July 2017. The project was being funded by developer contributions in respect of various developments in the Shinfield area and these fell due as dwellings were constructed.

Included in University amounts due from subsidiary undertakings is £41.6m due from RUMAL Reading Sdn. Bhd. against which a full provision has been made (2022: £39.8m). This has resulted in a charge for the year of £1.7m in the University's statement of comprehensive income (2022: £1.7m). The amount of this provision will be reviewed from time to time as circumstances change.

## 21 Current investments

Consolidated & University Cost or valuation	Total £'000	
At 1 August 2022	99,496	
Additions	2,203	
Withdrawals	(9,200)	
Sales of investments at book cost	(9,423)	
Purchase of new investments	9,197	
Other net income and realised gains reinvested	3,807	
Changes in market value	(2,316)	
<b>At 31 July 2023</b>	<b>93,764</b>	
	Consolidated & University	
	2023 £'000	2022 £'000
Segregated portfolios managed by Cazenove Capital	93,764	99,496
	<b>93,764</b>	<b>99,496</b>

Listed investments are stated at market value using widely published bid prices. The University's listed investments are managed by Cazenove Capital.



## 22 Creditors: amounts falling due within one year

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unsecured loans	2,000	2,000	2,000	2,000
Trade payables	5,662	7,032	5,441	6,674
Social security and other taxation payable	4,261	4,233	4,573	4,463
Other payables	9,435	9,579	8,667	8,919
Accruals and deferred income	95,016	89,774	86,098	80,580
Amounts due to subsidiary undertakings	-	-	1,554	1,311
Amounts due to associated undertakings – UPP (Reading I) Limited	8,071	7,670	8,071	7,670
	<b>124,445</b>	<b>120,288</b>	<b>116,404</b>	<b>111,617</b>

### Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance-related conditions have been met.

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Tuition fees	9,356	14,811	12,223	10,487
Research grants received on account	23,384	22,602	23,416	22,565
Site servicing arrangements	10,070	9,140	10,070	9,140
Other income	21,318	21,204	21,464	20,366
	<b>64,128</b>	<b>67,757</b>	<b>67,173</b>	<b>62,558</b>

### Deferred income on site servicing arrangements

In recent years the University has disposed of a number of landholdings around Shinfield and Didcot. The scale of these disposals has required the University to undertake significant obligations in respect of infrastructure works in the local areas. A proportion of the original income on disposal was deferred and is being recognised when the associated works are carried out.

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

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unsecured loans	142,500	146,500	142,500	146,500
Deferred income on site servicing arrangements (note 22)	2,687	6,026	2,687	6,026
Other payables	178	126	178	126
	<b>145,365</b>	<b>152,652</b>	<b>145,365</b>	<b>152,652</b>

## 24 Loans

	Consolidated & University	
	2023 £'000	2022 £'000
Due within one year or on demand	2,000	2,000
Due between one and two years	2,000	2,000
Due between two and five years	31,000	31,000
Due in five years or more	109,500	113,500
Due after more than one year	142,500	146,500
<b>Total loans</b>	<b>144,500</b>	<b>148,500</b>

The University issued a bond for £70m through a private placement facilitated by The Royal Bank of Scotland in May 2007. This loan is unsecured and is repayable in 2047 by a single payment of £70m. Interest is payable half yearly in arrears at a coupon rate of 5.42%.

The University has a sterling loan from Barclays Bank plc. There was a repayment holiday until July 2019 after which the loan is repayable at £500k per quarter until April 2048. The interest rate on this loan is at a set margin of 1.52% above SONIA.

In July 2021 the University entered into a £50m revolving credit facility (RCF) with Santander, available for five years, at a set margin of 1.25% over SONIA for amounts drawn. Non-utilisation fees apply at 50% of the applicable margin in respect of amounts undrawn. At 31 July 2023, £25m of this facility had been drawn down. The University has flexibility to draw down and repay any amount up to the facility limit during its term. Ultimately it is repayable in full in July 2026.

	Bond £'000	Barclays loan £'000	RCF £'000	Total £'000
At 1 August 2022	70,000	53,500	25,000	148,500
Repayments	-	(4,000)	-	(4,000)
<b>At 31 July 2023</b>	<b>70,000</b>	<b>49,500</b>	<b>25,000</b>	<b>144,500</b>

## 25 Pension provisions

	Obligation to fund USS deficit £'000	UREPF scheme surplus £'000	Total £'000
At 1 August 2022	118,148	(43,483)	74,665
Net charge to statement of comprehensive income	19,788	4,725	24,513
Contributions paid in year	(35,448)	(2,297)	(37,745)
<b>At 31 July 2023</b>	<b>102,488</b>	<b>(41,055)</b>	<b>61,433</b>

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) has arisen from the contractual obligation of employers within the scheme, including the University, to make additional contributions to reduce the overall deficit arising from past performance. An assessment has been made of the expected future employees within the scheme and the salary payments over the period of the contracted obligation in assessing the value of this provision. The provision has been discounted to present value.



## 25 Pension provisions (continued)

The latest available complete actuarial valuation of the defined benefit element of the USS scheme was at 31 March 2020, which was carried out using the projected unit method. The valuation set out the challenges facing the scheme and the significant increases in contributions required to address these challenges.

The Group's net surplus in respect of the University of Reading Employees' Pension Fund (UREPF) has been calculated by discounting to present value the estimated amount of future benefits that employees have earned in return for their service in the current and prior periods less the fair value of any plan assets.

More information on the Group's pension schemes is given in note 38.

## 26 Other provisions

<b>Consolidated</b>	Student Halls £'000	TVSP £'000	RUMAL £'000	Other £'000	Total £'000
At 1 August 2022	1,917	13,165	5,141	1,648	21,871
Utilised in year	(1,917)	-	(1,617)	(1,648)	(5,182)
Charged/(credited) to statement of comprehensive income	-	4,112	-	-	4,112
<b>At 31 July 2023</b>	<b>-</b>	<b>17,277</b>	<b>3,524</b>	<b>-</b>	<b>20,801</b>

<b>University</b>	Student Halls £'000	RUMAL £'000	Other £'000	Total £'000
At 1 August 2022	1,917	4,981	1,648	8,546
Utilised in year	(1,917)	(1,304)	(1,648)	(4,869)
Charged/(credited) to statement of comprehensive income	-	-	-	-
<b>At 31 July 2023</b>	<b>-</b>	<b>3,677</b>	<b>-</b>	<b>3,677</b>

During the year ending 31 July 2018, the University commissioned a detailed financial review of its operations in Malaysia which are carried out by its subsidiary, RUMAL Reading Sdn Bhd, and this concluded that the subsidiary would continue to make losses for a number of years. Following the review, a restructuring took place in the year ending 31 July 2019 and revised business plans were prepared. Significant changes were negotiated to the terms of the main building lease at the campus. The activities will continue to make losses for the next few years but these are expected to reduce year by year. In accordance with FRS 102, the main building lease at RUMAL and a number of other contracts have been accounted for as onerous contracts and a provision has been made for contractual obligations which are estimated to extend to 2026. These obligations have been discounted to present value. The University has recognised its own obligation arising from its guarantee of all contractual amounts due under the building lease at RUMAL.

During the year ending 31 July 2019, Thames Valley Science Park Limited (a subsidiary company) completed a detailed review of its lease obligations. This review concluded that several of the company's leases should be accounted for as onerous contracts, in particular the Enterprise Centre lease, as such a provision for onerous lease contracts has been provided. This onerous lease provision was reviewed in the current year which has resulted in an increase of the lease provision to £17.3m.

For the five years commencing 1 August 2018, the University entered into an agreement to underwrite the void risk of certain student accommodation. This usually presented limited risk to the University, however the impact of the COVID-19 pandemic meant that the risk of voids increased and as such a provision was recognised. This agreement has now expired and no provision is now recognised (2022: £1.9m).

## 27 Endowment reserves

<b>Consolidated &amp; University</b>	Unrestricted permanent £'000	Restricted permanent £'000	Restricted expendable £'000	2023 £'000	2022 £'000
At 1 August					
Capital	3,103	10,460	83,982	97,545	102,281
Accumulated income	958	3,988	339	5,285	5,072
	4,061	14,448	84,321	102,830	107,353
New endowments	-	1,000	1,043	2,043	10
Income	85	301	3,976	4,362	1,996
Expenditure	(40)	(183)	(8,305)	(8,528)	(8,058)
Gain on disposal of investments	117	389	410	916	1,948
Increase in value of investment properties	-	-	1,149	1,149	873
Decrease in value of investments	(90)	(328)	(493)	(911)	(1,292)
<b>At 31 July</b>	<b>4,133</b>	<b>15,627</b>	<b>82,101</b>	<b>101,861</b>	<b>102,830</b>
<b>Represented by:</b>					
Capital	3,130	11,520	81,804	96,454	97,545
Accumulated income	1,003	4,107	297	5,407	5,285
	<b>4,133</b>	<b>15,627</b>	<b>82,101</b>	<b>101,861</b>	<b>102,830</b>

	Consolidated & University	
	2023 £'000	2022 £'000
Land and property	1,813	1,372
Investment properties	12,979	12,330
Investments	43,059	48,143
Funds held by the University	52,810	50,798
Other	(8,800)	(9,813)
	<b>101,861</b>	<b>102,830</b>

The bulk of the assets are held by the National Institute for Research in Dairying Trust. See note 37 for further details of this trust and the nature of the restrictions.



## 28 Restricted reserves – donations

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Restricted reserves – donations</b>				
At 1 August	4,048	4,619	3,117	3,755
New donations	2,881	3,682	2,468	3,377
Expenditure	(2,132)	(4,253)	(1,847)	(4,015)
<b>At 31 July</b>	<b>4,797</b>	<b>4,048</b>	<b>3,738</b>	<b>3,117</b>

Restricted income relates to donations received where the terms of the donation place restrictions on the way in which the funds can be spent.

## 29 Reconciliation of net debt

	Consolidated £'000
Net debt at 1 August 2022	105,684
Movement in cash and cash equivalents	15,428
Loan repayments	(4,000)
<b>Net debt at 31 July 2023</b>	<b>117,112</b>

	Consolidated	
	2023 £'000	2022 £'000
<b>Analysis of net debt</b>		
Unsecured loans: amounts falling due within one year	2,000	2,000
Unsecured loans: amounts falling due after more than one year	142,500	146,500
Less: cash and cash equivalents	(27,388)	(42,816)
<b>Net debt</b>	<b>117,112</b>	<b>105,684</b>

## 30 Financial instruments

The carrying values of the Group and University's financial assets and liabilities are summarised by category below:

	Note	Consolidated		University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Financial assets</b>					
Cash and cash equivalents		27,388	42,816	24,346	38,295
Measured at fair value through income and expenditure					
Managed investment funds – segregated	21	93,764	99,496	93,764	99,496
Managed investment funds – common	18, 21	29,757	28,169	29,757	28,169
Other listed investments	18	103	119	103	119
Debt instruments measured at amortised cost					
Trade and other receivables	20	60,164	59,978	56,938	57,170
Bank deposits		183	194	-	-
Equity instruments measured at cost less impairment					
Non-current investments in unlisted equity instruments		45	45	45	45
		<b>211,404</b>	<b>230,817</b>	<b>204,953</b>	<b>223,294</b>

## 30 Financial instruments (continued)

	Note	Consolidated		University	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Financial liabilities</b>					
Measured at amortised cost					
Loans payable	24	144,500	148,500	144,500	148,500
Trade and other creditors	22	54,234	46,424	42,836	42,722
		<b>198,734</b>	<b>194,924</b>	<b>187,336</b>	<b>191,222</b>

The Group's and University's income, expenditure, gains and losses in respect of financial instruments are summarised below:

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Financial assets measured at fair value through income and expenditure	1,292	4,577	2,073	6,820
Financial assets measured at amortised cost – interest receivable	944	-	944	-
Financial liabilities measured at amortised cost – interest payable	(8,123)	(6,047)	(7,477)	(5,488)
Impairment losses on trade and other receivables	(716)	(265)	(5,046)	(4,390)
	<b>(6,603)</b>	<b>(1,735)</b>	<b>(9,506)</b>	<b>(3,058)</b>

## 31 Capital commitments

	Consolidated		University	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Provision has not been made for the following capital commitments:				
<b>Commitments contracted for</b>	<b>8,417</b>	<b>3,888</b>	<b>8,417</b>	<b>3,888</b>

These commitments arise from contracts included in the ongoing capital programme, apart from £2.7m which relates to the purchase of replacement farmland.

## 32 Contingent liabilities

As part of its development of the Shinfield Eastern Relief Road and related bridge over the M4, the University provided performance guarantee bonds to Wokingham Borough Council totalling £2.7m. In 2022/23, the remaining bonds in favour of the Council were released, leaving only £0.1m outstanding to Oxfordshire County Council. In addition, a total of £1m of bonds remain outstanding in favour of the Highways Agency. Negotiations continue with the Highways Agency about releasing the bonds.

In connection with its sale of land at Didcot to a housing developer in May 2019, the University will act as guarantor to the local authority for long-term site improvement works to be carried out by the developer and a party to a neighbouring development. The University's maximum potential liability under this guarantee during the first five years is set at £10m and then reduces to zero over the following four years. No provision has been made for this amount due to the University's view that a liability is very unlikely to crystallise given the financial strength of the developers undertaking these works.

The University has undertaken to provide continued support to its trusts and subsidiary companies for a period of at least twelve months from the date of approval of those undertakings' financial statements.



### 33 Future lease obligations and receivables

The total future minimum lease payments due under non-cancellable operating leases are as follows:

<b>Consolidated</b>	Land and buildings £'000	Other £'000	2023 £'000	2022 £'000
<b>Future minimum lease payments due:</b>				
Not later than 1 year	3,281	244	3,525	3,900
Later than 1 year and not later than 5 years	12,038	281	12,319	12,652
Later than 5 years	15,829	-	15,829	16,732
	<b>31,148</b>	<b>525</b>	<b>31,673</b>	<b>33,284</b>

<b>University</b>	Land and buildings £'000	Other £'000	2023 £'000	2022 £'000
<b>Future minimum lease payments due:</b>				
Not later than 1 year	1,742	172	1,914	1,999
Later than 1 year and not later than 5 years	7,386	272	7,658	7,676
Later than 5 years	14,821	-	14,821	16,732
	<b>23,949</b>	<b>444</b>	<b>24,393</b>	<b>26,407</b>

Included in the University and consolidated totals for land and buildings is £22.8m in respect of the Enterprise Centre on the Whiteknights campus (2022: £24.4m). The lease runs until 2036.

Included in the consolidated total for land and buildings are commitments of £4.3m in respect of the campus in Malaysia (2022: £6.0m). These amounts are also included in other provisions (see note 26).

In addition, under the terms of the arrangement with UPP, the University makes payments with reference to the number of units of student accommodation sold during the year. At 31 July the University was committed to making payments in respect of those students who had accepted offers of accommodation for the forthcoming year. Further details of the arrangement are given in note 19.

The group also acts as lessor in a number of lease agreements. The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

<b>Consolidated</b>	Land and buildings £'000	Other £'000	2023 £'000	2022 £'000
<b>Future minimum lease payments receivable:</b>				
Not later than 1 year	7,061	-	7,061	6,431
Later than 1 year and not later than 5 years	17,743	-	17,743	15,766
Later than 5 years	489,036	-	489,036	468,948
	<b>513,840</b>	<b>-</b>	<b>513,840</b>	<b>491,145</b>

<b>University</b>	Land and buildings £'000	Other £'000	2023 £'000	2022 £'000
<b>Future minimum lease payments receivable:</b>				
Not later than 1 year	8,635	-	8,635	7,753
Later than 1 year and not later than 5 years	28,416	-	28,416	26,805
Later than 5 years	590,696	-	590,696	573,681
	<b>627,747</b>	<b>-</b>	<b>627,747</b>	<b>608,239</b>

### 33 Future lease obligations and receivables (continued)

The University receives lease income from its wholly-owned subsidiary undertaking, Thames Valley Science Park Limited (TVSP), in respect of the properties operated by that company. TVSP sublets these properties to a number of tenants. Lease agreements are in place between the University and TVSP with lease terms and payments determined on a commercial basis. In respect of the science park operated by TVSP, there is a 125-year ground lease and a 25-year building lease. The leases make provision for a rent-free period for the first 18 months. The ground lease payments are contingent on floor space occupied.

On 14 March 2022, the University granted a long lease to Shinfield Studios Ltd. The lease runs for 199 years and has no break clause. This accounts for £491.2m (2022: £470.3m) of lease payments receivable. The lease is indexed linked to a measure of inflation and the amounts disclosed are the unindexed values.

### 34 Amounts disbursed as agent – Consolidated & University

#### National College for Teaching and Leadership bursaries

The University acts only as a paying agent in relation to National College for Teaching and Leadership (NCTL) bursaries, distributing them to students and nurseries. The funds received and related disbursements are therefore excluded from the statement of comprehensive income.

	2023 £'000	2022 £'000
Excess of income over expenditure at 1 August	(19)	434
<b>Income</b>		
Funding Council grants	1,617	1,559
<b>Expenditure</b>		
Disbursed to students and nursery settings	(1,569)	(2,012)
<b>Excess of income over expenditure at 31 July</b>	<b>29</b>	<b>(19)</b>

#### Student accommodation

The University generates charges and receives rents from students. Payments are then made to UPP (Reading I) Limited which manages the student accommodation. See note 19 for more details of this arrangement.

#### Supplemental Schedule for the United States Department of Education

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required by the US Department of Education to present the following Supplemental Schedule in a prescribed format. The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition)
- presented in thousand pounds sterling (£'000).

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



### 34 Amounts disbursed as agent – Consolidated & University (continued)

<b>Primary Reserve Ratio</b>		2023 £'000	2022 £'000
<b>Expendable net assets</b>			
Net assets without donor restrictions	Statement of Financial Position – unrestricted income and expenditure reserve and Revaluation reserve	356,492	344,185
Net assets with donor restrictions	Note 27 (Endowment reserves) and Note 28 (Restricted reserves)	106,658	106,878
Restricted in perpetuity	Note 27 (Endowment reserves)	(19,760)	(18,509)
Other intangible assets	Note 13 (Intangible assets)	(5,591)	(6,990)
Property, plant and equipment	Note 14 (Tangible assets) NBV at 31 July	(335,887)	(342,571)
Post employment pension liability	Note 25 (Pension provisions)	61,433	74,665
Line of credit for long term purposes	Note 24 (Loans)	144,500	148,500
Related party receivable	Note 20 (Trade and other receivables)	(395)	(584)
		<b>307,450</b>	<b>305,574</b>
<b>Total expenses and losses without donor restrictions</b>		2023 £'000	2022 £'000
Total operating expenses	Note 11 (Analysis of total expenditure by activity)	344,997	406,535
Other components of net periodic pension costs	Consolidated Statement of Comprehensive Income and Expenditure – Actuarial gains/(losses) in respect of pensions schemes	(1,522)	22,231
Other gains/(losses)	Statement of Comprehensive Income		
	• Revaluation of investment properties	(897)	37,538
	• Share of operating result of associate	468	2,520
	• Taxation charge	(513)	(70)
	• Exchange difference on consolidation	(713)	(338)
	• Disposal of heritage assets	-	-
	• Surplus on revaluation of property, plant and equipment held by associate	7,763	2
		<b>349,583</b>	<b>468,418</b>
<b>Equity Ratio</b>		2023 £'000	2022 £'000
<b>Modified net assets</b>			
Net assets without donor restrictions	Statement of Financial Position – Unrestricted Income and Expenditure reserve and Revaluation reserve	356,492	344,185
Net assets with donor restrictions	Note 27 (Endowment reserves) and Note 28 (Restricted reserves)	106,658	106,878
Related party receivable	Note 20 (Trade and other receivables)	(395)	(584)
		<b>462,755</b>	<b>450,479</b>
<b>Modified assets</b>		2023 £'000	2022 £'000
Total assets	Statement of Financial Position – Current and non-current assets	815,194	820,539
Related party receivable	Note 20 (Trade and other receivables)	(395)	(584)
		<b>814,799</b>	<b>819,955</b>

### 34 Amounts disbursed as agent – Consolidated & University (continued)

<b>Net Income Ratio</b>		2023 £'000	2022 £'000
<b>Change in net assets without donor restrictions</b>			
Change in net assets without donor restrictions	Consolidated Statement of Comprehensive Income and Expenditure – Unrestricted comprehensive income and expenditure for the year	(10,267)	(21,476)
		<b>(10,267)</b>	<b>(21,476)</b>
<b>Total revenues and gains without donor restriction</b>		2023 £'000	2022 £'000
Total operating revenue and other additions	Consolidated Statement of Comprehensive Income and Expenditure – Total income	337,802	316,857
Investment return appropriated for spending	Note 7 (Investment income)	(6,577)	(6,829)
(Loss)/gain on disposal of fixed assets	Consolidated Statement of Comprehensive Income and Expenditure – (Loss)/gain on disposal of property plant and equipment	(19)	56
		<b>331,206</b>	<b>310,084</b>

### 35 Disclosure of related party transactions

Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted in accordance with the University's Financial Regulations and usual procurement procedures.

Council members do not receive remuneration or fees in respect of their services as Council members. The expenses of Council members incurred and claimed in the performance of their duties including attendance at Council meetings are reimbursed by the University. All such reimbursements are subject to approval by the Secretary to the Council. The total expenses paid to or on behalf of members of Council was £1.5k (2022: £0.8k) which related to travel and subsistence expenses incurred.

The University's financial statements include the following balances due from Reading Students' Union (RSU):

	2023 £'000	2022 £'000
<b>Due from RSU</b>	<b>242</b>	<b>293</b>
<b>The University paid the following grants to RSU:</b>		
Core block grant	1,727	1,580
Specific grants	36	20
	<b>1,763</b>	<b>1,600</b>

Transactions with the University's 20% owned associate, UPP (Reading I) Holdings Limited, and its wholly owned subsidiary, UPP (Reading I) Limited, are set out in note 19.



36 The University and its subsidiary undertakings

As described in the statement on public benefit, the University of Reading is an independent corporation with charitable status established by Royal Charter granted in 1926. It is primarily based in the UK with some operations overseas. Its principal place of business is Whiteknights House, Whiteknights, Reading, RG6 6UR, UK.

The subsidiary companies, wholly-owned or effectively controlled by the University, are as follows:

Name of company	Country of registration	Principal activity	Status
Henley Business Angels Limited	England & Wales <sup>1</sup>	Business launch support	Limited by guarantee
Henley Business School Limited	England & Wales <sup>1</sup>	Management education	100% owned
Reading Real Estate Foundation	England & Wales <sup>1</sup>	Advancement of real estate education	Limited by guarantee
Thames Valley Science Park Limited	England & Wales <sup>1</sup>	Property letting business	100% owned
Henley Business School Germany GmbH	Germany <sup>2</sup>	Management education	100% owned
RUMAL Reading Sdn. Bhd.	Malaysia <sup>3</sup>	Overseas campus	100% owned
Henley Business School Limited (Incorporated in the United Kingdom)	South Africa <sup>4</sup>	Management education	100% owned
Whiteknight Edu Private Limited	India <sup>5</sup>	Marketing support and operational services	100% owned

Registered office addresses

<sup>1</sup> Whiteknights House, PO Box 217, Whiteknights, Reading, RG6 6AH

<sup>2</sup> Maximilianstrasse 40, 80539 Munich, Germany

<sup>3</sup> Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia

<sup>4</sup> Kirstenhof Office Park, 1 Witkoppen Road, Paulshof, 2056, South Africa

<sup>5</sup> OFF-1201 CTS-330(PT), Hubtown Viva, MTR Room-2, Jogeshwari East, Mumbai-400060, Maharashtra, India

37 Connected charitable institutions

A number of charitable institutions are administered by, or on behalf of, the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. These connected institutions are included in the consolidation and within the University amounts, since the University is the sole trustee of each and exercises control over each one’s activities. The movements in the year on the total funds of all connected institutions, as reported in their own accounts, were as follows:

	At 1 August 2022 £’000	Total income £’000	Total expenditure £’000	Other gains and losses £’000	At 31 July 2023 £’000
National Institute for Research in Dairying Trust	97,072	3,789	(7,649)	1,348	94,560
Hugh Sinclair Trust	5,335	126	(572)	(213)	4,676
Beckett International Foundation	3	20	(1)	-	22
Greenlands Trust	12,285	9	(611)	-	11,683

37 Connected charitable institutions (continued)

The National Institute for Research in Dairying Trust (NIRD) aims to promote and develop high quality research into agriculture or food (whether its production or otherwise) at the University of Reading.

NIRD holds significant assets. See note 27 for fuller details of the Group’s endowment assets.

The Hugh Sinclair Trust promotes research into human nutrition at the University of Reading.

The Beckett International Foundation provides seminars and exhibitions on, and promotes research into, the works of Samuel Beckett. It also contributes to the preservation and cataloguing of the Samuel Beckett Archive held by the University of Reading.

The Greenlands Trust aims to advance education and learning in business and management studies, which it does through the provision of specific grants to Henley Business School at the University of Reading.

38 Pension schemes

The principal pension schemes for the University’s staff are the Universities Superannuation Scheme (USS), the University of Reading Employees’ Pension Fund (UREPF) and the University of Reading Pension Scheme (URPS). USS provides benefits based on career average earnings for academic and related employees for all UK universities. The UREPF and URPS schemes provide benefits for other members of University staff. Contributions are also paid to other pension schemes in overseas jurisdictions.

	Consolidated		University	
	2023 £’000	2022 £’000	2023 £’000	2022 £’000
<b>Total pension costs for the year</b>				
USS contributions	35,448	33,629	35,169	33,452
UREPF cost arising from employee service	4,317	1,963	4,308	1,956
URPS	2,448	2,221	2,429	2,209
Other pension schemes	157	143	-	-
	42,370	37,956	41,905	37,617
Movement on USS provision	(19,594)	72,007	(19,594)	72,007
<b>Total pension costs</b>	<b>22,776</b>	<b>109,963</b>	<b>22,311</b>	<b>109,624</b>

Included in other creditors are unpaid pension contributions of £3,607k (2022: £3,350k).

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS), a multi-employer hybrid scheme which has both defined benefit and defined contribution elements. The assets of the scheme are held in a separate trustee-administered fund.

The University contributed 21.6% of payroll costs during the year. Members contributed 9.8%.

For members earning below a salary threshold, currently £41,004 per annum (£59,883.65 prior to 1 April 2022), all of these contributions are made to the defined benefit part of the scheme (Retirement Income Builder). The salary threshold will rise annually in line with official pensions, but subject to a cap of 2.5%. For those members earning above the salary threshold, a combined member employer contribution of 20% of salary above the threshold are invested in the defined contribution part of the scheme (Investment Builder). Prior to 1 April 2022, 20% of the University’s contribution, and all of the member’s contribution above that threshold, was invested in the defined contribution part of the scheme. Under the defined benefit arrangements, until 31 March 2022, members accrued a pension of 1/75th for each year of service along with a 3/75th lump sum under a career average earnings arrangement. From 1 April 2022 onwards, members accrue a pension of 1/85th for each year of service and a lump sum worth 3/85 of salary each year up to the salary threshold.

Members can also make additional voluntary contributions (AVCs) into the defined contribution element of the scheme.



38 Pension schemes (continued)

Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 9.8% contribution on their behalf.

The latest available completed actuarial valuation of the defined benefit part of the scheme was at 31 March 2020 (“the valuation date”), which was carried out using the projected unit method.

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 University is therefore exposed to actuarial risks associated with other institutions’ employees, and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, the University accounts for the scheme as if it were a defined contribution scheme. Institutions within the scheme share the liabilities, running costs and risks associated with the scheme. The individual liabilities from all institutions are pooled into a single liability for which all institutions are collectively liable.

The following disclosures reflect those relevant to the scheme 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%.

	2023	2022
Scheme assets	£66.5bn	£66.5bn
Total scheme liabilities	£80.6bn	£80.6bn
FRS 102 total scheme deficit	£14.1bn	£14.1bn
FRS 102 total funding level	83%	83%

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

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

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

Mortality base table	2023	2022
Pre-retirement	101% of S2PMA “light” for males 95% of S3PFA for females	101% of S2PMA “light” for males 95% of S3PFA for females
Post-retirement	101% of S2PMA “light” for males 95% of S3PFA for females	101% of S2PMA “light” for males 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

38 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

	2023 Years	2022 Years
Males currently aged 65	24.0	23.9
Females currently aged 65	25.6	25.5
Males currently aged 45	26.0	25.9
Females currently aged 45	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.49%	3.33%
Pensionable salary growth	N/A	N/A
Pensions inflation (CPI)	5.46%	4.50%

University of Reading Employees’ Pension Fund (UREPF)

The University is the sponsoring employer to the UREPF, which is a funded UK defined benefit pension scheme where contributions are held in a separate trustee-administered fund. It was closed to new members in 2011 and replaced by URPS, a defined contribution scheme.

The University paid contributions at a rate of 23.8% of pensionable salaries and members were required to contribute 6.25% of pensionable salaries during the year. Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 6.25% contribution on their behalf. The University also made the following additional contributions: £500k in additional contributions agreed with the trustees and £600k towards the administration costs of the scheme.

From 1 August 2023 University contributions will remain at 23.8% and member contributions will remain at 6.25%. The University will also contribute additional contributions of £500k, as well as a further £600k towards the administration costs of the scheme for the year ended 31 July 2024.

A full actuarial valuation was carried out as at 31 July 2020 by a qualified independent actuary. The actuary has reviewed the progress of the scheme since the valuation date in determining the net surplus at 31 July 2023. The service cost has been calculated using the projected unit credit method. The discount rate is one of the key assumptions used in calculating the value of the liabilities and is based on AA rated corporate bond yields. The expected return on plan assets is also based on the discount rate.



### 38 Pension schemes (continued)

	2023 £'000	2022 £'000
<b>Analysis of movement in benefit obligation</b>		
At 1 August	143,113	194,278
Cost arising from employee service in the year	1,144	1,963
Loss on curtailments/changes/introductions	3,174	-
Past service costs	-	-
Interest expense	5,012	3,155
Benefits paid from plan assets	(5,306)	(6,155)
Plan participants' contributions	6	7
Premiums paid	-	(14)
Remeasurements – Effect of changes in assumptions	(37,723)	(52,123)
Remeasurements – Effect of experience adjustments	1,558	2,002
<b>At 31 July</b>	<b>110,978</b>	<b>143,113</b>
<b>Analysis of movement in plan assets</b>		
Fair value at 1 August	186,596	215,054
Interest income	6,472	3,515
Employer contributions	2,297	2,450
Plan participants' contributions	6	7
Benefits paid from plan assets	(5,306)	(6,155)
Administrative expenses paid from plan assets	(345)	(371)
Premiums paid	-	(14)
Remeasurements – Return on plan assets	(37,687)	(27,890)
<b>Fair value at 31 July</b>	<b>152,033</b>	<b>186,596</b>
<b>Amounts recognised in the statement of financial position</b>		
Defined benefit obligation	(110,978)	(143,113)
Fair value of plan assets	152,033	186,596
<b>Net defined benefit asset</b>	<b>41,055</b>	<b>43,483</b>
<b>Components of pension cost</b>		
Cost arising from employee service in the year	1,144	1,963
Loss on curtailments/changes/introductions	3,174	-
Past service costs	-	-
Interest expense on defined benefit obligation	5,012	3,155
Interest income on plan assets	(6,472)	(3,515)
Administrative expenses paid from plan assets	345	371
<b>Total cost recognised in deficit before tax</b>	<b>3,203</b>	<b>1,974</b>
Remeasurements	1,522	(22,231)
<b>Total cost/(credit) recognised in the statement of comprehensive income</b>	<b>4,725</b>	<b>(20,257)</b>

### 38 Pension schemes (continued)

	2023 £'000	2022 £'000
<b>Fair value of plan assets</b>		
Cash and cash equivalents	25,734	22,416
Equity instruments	15,689	38,768
Debt instruments	81,452	82,262
Property	29,158	43,150
	<b>152,033</b>	<b>186,596</b>
<b>Actual return on plan assets</b>		
Interest income	6,472	3,515
Remeasurements – Return on plan assets	(37,687)	(27,890)
	<b>(31,215)</b>	<b>(24,375)</b>
<b>Experience gains and losses</b>		
Remeasurements – Return on plan assets		
Amount	(37,687)	(27,890)
Percentage of plan assets	(24.8%)	(14.9%)
Remeasurements – Effect of experience adjustments		
Amount	(1,558)	(2,002)
Percentage of present value of plan liabilities	(1.4%)	(1.4%)
<b>Weighted average assumptions used to determine benefit obligations</b>		
	2023	2022
Discount rate	5.15%	3.50%
Rate of salary increases	6.75% fixed for first year 4.20% thereafter	4.5% fixed for first year 4.25% thereafter
Rate of RPI price inflation	3.20%	3.25%
Rate of CPI price inflation	2.70%	2.65%
Assumed life expectancy on retirement at age 65:		
Male member aged 65 (current life expectancy)	21.5	22.2
Male member aged 45 (life expectancy at age 65)	23.0	23.8
Female member aged 65 (current life expectancy)	23.6	24.1
Female member aged 45 (life expectancy at age 65)	25.3	25.9



38 Pension schemes (continued)

Weighted average assumptions used to determine cost relating to defined benefit plans	2023	2022
Discount rate	3.50%	1.65%
Rate of salary increases	1.5% fixed for first year 4.25% thereafter	1.5% fixed for first year 4.25% thereafter
Rate of RPI price inflation	3.25%	3.25%
Rate of CPI price inflation	2.65%	2.55%

The University offers membership in URPS, which is a funded defined contribution pension scheme in the UK. The University pays contributions at a rate of 7% of pensionable salaries for those who have been continuous scheme members for 5 years, and 5% for the remaining members. Members are required to contribute 4% of pensionable salaries. Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 4% contribution on their behalf. The costs of the Chair of the Trustee for the UREPF and URPS schemes are borne by the University £34.3k (2022: £38.9k) and apportioned 65% to UREPF and 35% to URPS.

39 Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, judgements have been made in determining the most appropriate methods of applying the University’s accounting policies to the economic transactions that have arisen during the year. It has also been necessary to make assumptions about the future in determining the values of assets and liabilities at the end of the financial year. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical accounting judgements

We have reviewed the Shinfield Studios lease agreement and concluded that it should be treated as an operating lease rather than a finance lease. This is because in the context of the land’s indefinite useful life, the 199-year lease term over which the lessee has the right to use the asset is deemed to be substantially short and the land is expected to substantially appreciate in value over the term of the lease in real terms, all of which benefit will accrue to the University at the end of the lease.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Income deferred in respect of site servicing commitments

In recent years, the Group has disposed of a number of landholdings in the Shinfield and Didcot areas. The scale of these disposals has required the University to undertake significant obligations in respect of infrastructure development and maintenance in the local areas. In accounting for these disposals, estimates have been made of the total obligations in order to calculate the amount of income to be deferred until these obligations are met. The obligations are reassessed annually.

39 Critical accounting judgements and key sources of estimation uncertainty (continued)

UPP – Share of operating surplus in associates & investments in associates

The University is party to an arrangement with UPP in respect of the provision and operation of its student residential accommodation. The accommodation is operated by UPP (Reading I) Limited, a wholly-owned subsidiary of UPP (Reading I) Holdings Limited. The University has granted long leasehold interests to UPP (Reading I) Limited in respect of the accommodation. The University has a 20% holding in both the equity and loan notes of UPP (Reading I) Holdings Limited and has accounted for its interest as an investment in an associated undertaking. The subsidiary prepares its accounts for the year ended 31 August, so a large proportion of the results for the year ended 31 July 2023 are based on estimates provided by the management of the company. In addition, as explained in note 19, the University makes a number of adjustments to the accounts of the company before the figures are consolidated. In particular, goodwill amortisation and goodwill balances are adjusted as it is University policy to write off goodwill on acquisition. The UPP loan notes have a high coupon rate, and the University has the opinion that the loan note interest will not be fully receivable, so makes an adjustment to reduce to the value that the University considers it will receive.

USS deficit recovery plan

In respect of pension schemes, 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 that provided by USS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the statement of comprehensive income. USS meets the definition of a multi-employer scheme. Therefore, the University has recognised the discounted fair value of its contractual contributions under the recovery plan within pension provisions. The obligation at 31 July 2023 was £102.5m (2022: £118.1m). The calculation of this provision has relied on the actuary’s overall view of the funding of the scheme and the University’s assumptions on future salary payments and the most appropriate discount rate to be applied. Variations in these estimates could lead to a significant change in the provision.

Defined benefit pension scheme

The overall surplus on the UREPF scheme has been included in pension provisions. A number of actuarial assumptions have been made in estimating the surplus, which have been set out in note 38. The net scheme asset at 31 July 2023 was £41.1m (2022: £43.5m).

Provisions in respect of RUMAL

In 2018/19, a restructuring of the University’s subsidiary in Malaysia, RUMAL Reading Sdn Bhd, was carried out as a result of its ongoing loss-making position. Revised business plans were prepared and significant changes were negotiated to the terms of the main building lease at the campus. RUMAL is expected to continue to make losses for the next few years. An onerous contracts provision has been made in the consolidated financial statements based on the University’s commitment to continue operations at the campus until at least 2026, the point at which the new lease will expire. The new lease was signed in 2019/20 and the lease provision has reflected this. Other onerous costs have been estimated based on forecast information.

Provisions in respect of Thames Valley Science Park Limited

In 2018/19, Thames Valley Science Park Limited (a subsidiary company) completed a detailed review of its lease obligations. This review concluded that several of the company’s leases should be accounted for as onerous contracts, in particular the Enterprise Centre lease, as such a provision for onerous lease contracts has been provided. This onerous lease provision was reviewed in the current year which has resulted in an increase in the lease provision to £17.3m.



40 Event after the balance sheet date

India subsidiary

On 27 September 2023 a subsidiary, Whiteknight Edu Private Limited (WEPL), was incorporated in India. The shareholders in WEPL are the University of Reading and Henley Business School Limited. The University is the majority shareholder. The purpose of WEPL is to provide marketing support services to drive student recruitment.

Universities Superannuation Scheme (USS)

The Triennial valuation, effective 1 April 2024, will be included in the 31 July 2024 year end accounts. It has a statutory deadline for completion of 30 June 2024.



# UNIVERSITY OF READING ANNUAL REPORT AND FINANCIAL STATEMENTS 2022/23

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