



University
of Exeter

Annual Report 2022/23

Financial Statements

to 31 July 2023

Highlights of the year

TEF
2023

Overall: **Gold**

Student experience: **Gold**

Student outcomes: **Gold**

Teaching Excellence Framework

Rated **'solid' Gold** in the 2023 Teaching Excellence Framework. **Gold Overall** rating, with Gold aspect ratings in both Student Experience and Student Outcomes.



More than 99% of our Research is rated of international quality in the latest Research Excellence Framework (REF 2021) with **12 of our subjects in the top 10** for world-leading impact.



Top 10 RUSSELL GROUP

in the Russell Group for student satisfaction in six out of seven themes in the *National Student Survey (NSS) 2023*.



Highlights
of the year



TOP 15

11th in *The Times and The Sunday Times Good University Guide 2023* and 15th in the *Complete University Guide 2024*

TOP 50

Top 50 in global university league tables:

48th
in the *QS World University Rankings: Sustainability 2023*;
39th
in the *Times Higher Education (THE) Most International Universities in the World 2023*.



We achieved the



or the advancement of gender equality and a **Bronze Race Equality Charter Mark** for our commitment to race equality.



We're home to the
**UK's top five
most influential
climate scientists**

– the only UK climate scientists to
secure places in the **global top 21**
– according to The Reuters Hot List.



Highlights
of the year



WINNERS

of the British University and
College Sport (BUCS) Super Rugby
Championship 2022 and 2023,
2nd in the BUCS Women's National
League Finals in 2022 and 2023
and 4th in the BUCS Points
2022-23 Overall league.

RANKED

18TH
GLOBALLY

in the Times Higher Education
Impact Rankings 2023

The THE Impact Rankings are global
performance tables that assess universities
against the United Nations' Sustainable
Development Goals (SDGs). Exeter is placed
1st globally for Clean Water and Sanitation;
1st in Europe for Climate Action; 1st in the UK
and 2nd in Europe for Zero Hunger; 3rd in
UK for No Poverty; 4th in the UK
for Affordable and Clean Energy.





Highlights of the year

Exeter shortlisted for prestigious Times Higher Education University of the Year award

Exeter has secured its place among the frontrunners for the coveted University of the Year award at the Times Higher Education Awards, recognising the University for its commitment to providing world-leading research, teaching and innovation.



THE AWARDS 2022

Our Business School has been named **BUSINESS SCHOOL OF THE YEAR** in the 2022 *Times Higher Education Awards.*





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Chair's foreword

I am delighted to present our Annual Report and Financial Statements for 2022/23.

In my first full academic year in the role of Pro-Chancellor and Chair of Council, I have witnessed the transformative power of the University of Exeter, and its ability to make a lasting positive impact across the globe. The University is wholeheartedly focussed on its purpose and is fully committed to set the world on course for a greener, healthier, fairer future. This is reflected in the University's many achievements and activities over the past 12 months, guided by our Strategy 2030, of which we have now reached the end of our second year of delivery.

This report makes clear the scale of our achievements, including the wide-ranging global impact of our research, our superb teaching that resulted in a double gold award in the Teaching Excellence Framework (one of only four Russell Group Universities to achieve this highest level of recognition), the strong relationship with our students as evidenced by our performance in the latest National Student Survey, and our continued progression in national and international league tables.

The report also outlines the challenges we are facing, particularly in the wider higher education sector. As a major Russell Group university, we are committed to use our

voice, expertise, and influence to lead vital conversations and work with our many partners to find solutions to these challenges.

The University of Exeter is a vibrant, exciting, and caring community, made up of talented students, dedicated staff and highly engaged alumni. We strive for excellence and place people at the heart of everything we do and, as this annual report demonstrates, we celebrate our diversity and look after each other through challenging times. Everybody I meet at the University is dedicated to our mission and committed to providing the best possible support to our students, our research ambitions and our engagement across the region and world. This high level of commitment is the key driver of our University's success, and it is a defining attribute of our entire community.

A good example of this can be seen in the University's response to the cost-of-living crisis which has provided the backdrop to the entire academic year. I am proud to be associated with an organisation that rose to this challenge, creatively and dynamically, and provided its students with so much additional support, from increased bursaries and mitigation processes, to simple things such as providing warm study spaces.

Over the last year, the University has also experienced a period of sustained national industrial action, which saw a number of colleagues participating in strike action and a Marking and Assessment Boycott, over national issues relating to pay and pensions. This has been a critical challenge. The University has worked tirelessly at both a local and national level to encourage all parties to find a swift and sustainable resolution to the current dispute. I remain hopeful that ongoing discussions will enable us to enter the new academic year with greater consensus, so that we can devote our whole focus to achieving our ambitious goals.

Thank you for your interest in our University and our annual report. It has been an exceptional year and there is much to celebrate within these pages.

Quentin Woodley
Chair of Council



Introduction from the President and Vice-Chancellor

This has been a highly successful year for the University of Exeter, set against a very challenging backdrop.

The year started with our Business School being named as Business School of the Year in the Times Higher Education Awards 2022. This award was in recognition of the School's commitment to addressing the climate crisis, and for the way it has made sustainability a major focus of its strategy and mission. For the second year in succession, we were runner-up in the Sunday Times University of the Year award. And to top off the awards, we have been shortlisted for the Times Higher Education University of the Year (the result of this will be known in December). We were also awarded a Gold Overall rating in the Teaching Excellence Framework and are one of only four Russell Group universities to be recognised as Gold for both underpinning aspects of student experience and student outcomes.

The University has now concluded the second year of our ambitious Strategy 2030, in which we set out our mission to use the power of our education and research to create a sustainable, healthy, and socially just future. Our Strategy is centred on our priorities for education and student experience, and our research and innovation activities. This is underpinned by our approach to our people, our place in the region and world, and our partnerships.

Colleagues at the University have worked tirelessly to further enhance the student experience. Offering a world-class teaching and learning environment is our critical mission, as it enables our students to develop intellectual enquiry, problem-solving skills, digital literacy, cultural competence, and equips them for global citizenship and the future global workplace. Through new approaches, such as our Transformative Education initiative, we are harnessing the latest technology and techniques to think without borders and empower our learners to become agents of change.

The ways in which we deliver our world-class education are also evolving, and this year we have grown our provision of online degrees, such as our MSc International Business and MSc Psychology conversion, as well as our Degree Apprenticeship programmes. Exeter is now the largest provider of degree apprenticeships in the Russell Group, and we will continue to grow further in this area, with more courses in the pipeline. Our commitment to offering a leading education experience is highlighted by the appointment of two key roles this year – a new Director of Education & Innovation, and a new Director of Teaching Excellence.

It goes without saying that our research is addressing some of the most critical challenges facing the world. Academic colleagues at the University of Exeter have been working on environment and climate research for more than 20 years, and are amongst the most influential in the world, with five of the world's top 21 climate scientists working in Exeter and 1,500 colleagues conducting research in this vital area. As leaders in climate research, we know it is incumbent on us to use our vast knowledge and skills to drive positive change, and this year we have done this through the launch of our Green Futures Solutions initiative. Green Futures Solutions is a new and transformative way for businesses and organisations to work with us and to harness our world-leading research so they can make smarter use of natural resources, seize opportunities in growing the green economy, and transition faster to net zero.

In order to maximise our research impact, we need to ensure that we have the right structures in place to facilitate collaboration and interdisciplinarity, and we have spent this academic year embedding our new ways of working within the three new academic Faculties. This has been a year of transition to our new faculty structures, and our local

faculty leadership teams are already driving our strategic goals, and give us the firmest possible foundations on which to realise our Strategy 2030 ambitions.

We have a steadfast commitment to our people – our students, staff, alumni and partners – who make our University the place it is. At the heart of our Strategy 2030 is our ambition to create a diverse, inclusive, fair, and compassionate community. This year, our Wellbeing, Inclusion and Culture Committee has driven change across important areas such as workload, the gender pay gap, race equality and fair employment, whilst also implementing schemes to improve gender safety, mental health, and suicide prevention. In May we launched the first of the Our Culture Conversation surveys, to obtain real-time analysis and identify key areas that impact on the experience of colleagues.

Diversification of our student and staff body remains a key priority, and we are determined to increase opportunities so that people from minority backgrounds are fairly represented. Amongst other initiatives, this year we joined the 100 Black Women Professors Now programme, which has seen seven academic colleagues join, with the aim of navigating and managing their careers.



Another key challenge this year has been to support our community through the cost-of-living crisis, and during this academic year we have made positive changes to colleagues' salaries and committed more than £8m to support students through schemes such as our Success For All fund, the winter support bursary, bursaries for eligible home Undergraduate students, and a paid internship scheme for low-income students. We have also introduced important policy changes, such as adding financial circumstances as a reason for mitigation in assessments and exams.

The University of Exeter is firmly rooted in our Place, both regionally and globally, and we understand the vital importance of serving our diverse community. In our region, this year we signed a Civic University Agreement (CUA) for Cornwall and the Isles of Scilly, working with key partners to create a greener, healthier, and fairer future across the county. We have also refreshed our CUA for the city of Exeter and launched a new agreement for our partners in Devon. Being a force for good in our region is central to our mission, and this year we also began hosting the new South West Social Mobility Commission, chaired by the University's

Chancellor, Sir Michael Barber, and of which I am an inaugural commissioner. The aim of the commission is to transform the life prospects of disadvantaged young people in the region, which have some of the lowest rates of educational and skills attainment in the country. We won recognition for this commitment with Silver Awards in both the Leadership and University of the Year categories, in the UK Social Mobility Awards.

Our position as a globally leading University was recognised in the THE Impact Rankings in June. We were ranked as the best university in the world for our work leading the progress towards delivering clean water and sanitation, – the sixth UN Sustainable Development Goal. These rankings also placed us number one in Europe for our progress towards delivering climate action, and number two in Europe for our progress towards zero hunger. International league tables also reflect our global standing, and this year we were placed 137th in the world in the THE World University Rankings; 149th in the QS World University Rankings; and 39th in the world, in the THE's league table of most international universities. In all of these rankings the University of Exeter has risen in the last 12 months.

We cannot achieve our goals without working in partnership with our students, colleagues, alumni, fellow higher education institutions, and regional and global business leaders. Amongst many partners in the region, this year we have worked closely with the Exeter-based Met Office, which brings together world-leading researchers to advance our research in Environmental Intelligence; and South West Water, with whom we have built the Centre for Resilience in Environment, Water and Waste (CREWW) building, the first purpose-built, transdisciplinary research centre in the water sector. Around the world, in April we hosted the QUEX Symposium, bringing together colleagues from the QUEX Institute, our flagship partnership with the University of Queensland. This exciting venture sees us develop leading research along the three themes of Global Environment Futures, Digital Worlds and Disruptive Technologies, and Healthy Living. I am delighted that we have now seen the first cohort of PhD students graduate from this partnership. This year we also extended our partnership with the Chinese University of Hong Kong through a new five-year commitment to the Joint Centre for Environmental Sustainability and Resilience (ENSURE).

The Higher Education sector is facing several challenges that we will need to face, if we are to continue using our transformative power to change the world. Chiefly, the home undergraduate tuition fee looks set to remain static at £9,250 for the foreseeable future, representing a real terms value of around £6,000 compared to 2012. We must therefore continue to identify ways to increase efficiency and financial sustainability, whilst ensuring that we maintain excellence in everything we do. We have come through a year impacted by national industrial action, and we continue to push for a resolution that satisfies employers, unions and colleagues, whilst also ensuring a high-quality experience for every student.

This Annual Report and Financial Statements gives much more detail on our activities this year, and I would like to thank every colleague and student for their contribution to our community during the academic year 2022/23. I look forward to the start of the next academic year, one in which we aim to make crucial steps forward in delivery of our Strategy 2030.

Professor Lisa Roberts
President and Vice-Chancellor

Our Strategy and our Responsibilities

The University's approach to environmental, social and governance matters.

Since the University's foundation in 1955 we have grown to become one of the world's leading research-intensive universities, connected around the world but deeply proud of our place in South West England.

Through the largest, most ambitious consultation we have ever attempted, our community came together in 2021 to co-create our vision and ambition for the next decade.

Our strategy builds on the power of our education and research to lead meaningful action against the climate emergency and ecological crisis, to make breakthroughs to transform human health and wellbeing, and to lead progress towards creating a fair, socially just and inclusive society.

In October 2021 we adopted Strategy 2030 defining our purpose and vision, as well as our values, the themes, and ways of working that underpin this.

We deliver our strategy through our outputs, principally our teaching and research activities underpinned by the way we work, the way we operate and through the policies we put into practise.

Our Purpose

To use the power of our education and research to create a sustainable, healthy and socially just future.



Lead meaningful action against the climate emergency and ecological crisis



Make key breakthroughs to transform human health and wellbeing



Lead the progress towards creating a fair, socially just and inclusive society

Access and Participation



We are committed to enabling social mobility through education, aiming to widen participation, raise attainment, contribute to a strong regional skills base and bridge gaps in retention, progression and success. Our strategy is based on diversity, fair access and inclusivity, taking a whole student lifecycle approach, working in collaboration and partnership, founded on evidence-based practice.

We enter into an [Access and Participation Plan](#) with the Office for Students, setting out our plan to achieve our objectives and the detailed targets we are committed to delivering.

Fair access

We maintained our investment of £3.7m in supporting disadvantaged and underrepresented students to enter higher education during 2022/23. The impact of continued strategic investment has been rewarded through consistent progress against our access objectives, as we met or exceeded all our annual targets for the recruitment of students from Black, Asian and Minority Ethnic backgrounds, mature students and those living in areas of high deprivation and/or low representation in higher education. In recognition of our progress to date and

work to support our local region, we were named University of the Year by NEON, the professional organisation supporting widening participation practitioners. We were also shortlisted for two UK Social Mobility Awards and received a StandAlone Award for our work with care experienced and estranged students.

The demand from schools and colleges for face-to-face delivery of outreach and related support returned in earnest following on from previous years affected by Covid. This led to increased school-related expenditure relating to travel, subsistence, event management and accommodation compared to the previous year. In-person subject conferences and teaching enrichment events ran throughout the year across our campuses but were disrupted by strike action and Covid, affecting travel and schools' ability to support field trips. Our planned provision was further affected by high staff turnover, in part relating to new opportunities opened up by the University restructure. This affected the volume of the activities we were able to deliver and resulted in vacancy savings.

Demand for online provision remains, and we continued with hybrid delivery supported by our Discover University platform. This

proved particularly effective in engaging students with very specific lived experience, requiring more bespoke information and support, for example in relation to care experience, disability or family estrangement. We significantly extended our work with Further Education colleges, including the delivery of new fair access programmes designed to support the progression of specific cohorts of students into higher education. Our Mature Access Pathway, run in partnership with Exeter College, provided integrated University-led sessions within the Access to Higher Education curriculum, supporting student choice, study skills and transition. The programme, which quadrupled applications from mature students at the College to Exeter courses, will be extended to Truro and Penwith College in 23/24 and is supported through new scholarships. We also invested in developing an online version of the programme for students returning to learning, which opened for applications in early summer. Our new Bridges into Higher Education programme was run with several Further Education Colleges in the Southwest region. Co-delivered with Next Steps Southwest, the programme combined information, advice and guidance with study skills and related development to better equip students for higher education to support continuation and attainment.

Our flagship fair access scheme, Exeter Scholars, provides places for 1,000 students each year who meet multiple widening participation eligibility criteria. With entry points at Year 10 and 12, the scheme is fully subsidised, and supports national and regional cohorts through a scaffolded programme designed to build knowledge, confidence, study skills and support progression into higher education. For the first time in over two years, we were able to stage an in-person Year 10 residential programme, which had not been possible through the pandemic. Evaluation of Exeter Scholars, including Realising Opportunities and Pathways to Law, shows positive impacts in knowledge, confidence and propensity to apply for and achieve university places. In September, a record-breaking 194 Exeter Scholars began undergraduate study at Exeter, 48% of whom achieved AAA or higher. This had financial implications for both our scholarship provision and benefits scheme.

Work continued to extend our Education Partnership programme which involves more formalised partnerships with selected schools and colleges to primarily support widening access. We were delighted to host teachers and careers advisors from many of our Education Partners at a teachers'



conference in June, which was aimed to support professional development and enable participants to grow their knowledge of our University and courses.

While we expanded our provision across many areas, we also made changes as a result of evaluation or prioritisation which reduced expenditure against some activities. This included a review of partnerships and a streamlining of our Summer Schools. Funding had been set aside for the development of a new pre-16 programme specifically aimed to support boys from disadvantaged backgrounds, but while some start-up funds were used, the launch of the scheme itself was deferred until 2023/24 due to staffing capacity. Through a combination of prudent financial management, staff turnover and prioritisation, we achieved an end of year position which was below our initial forecast.

Financial support

The cost-of-living crisis combined with Government student funding falling well below inflation, continued to heap financial pressure on students. A cross-university working group involving the Student Unions was set up to identify a package of mitigation measures. Interventions were far ranging including: direct student financial support

such as a Winter Bursary payment; increased hardship provision, supported in part by contributions from the Office for Students and donor funding; making living and study costs more affordable through the provision of low cost groceries and extra-curricular activities; creation of community larders; provision of budget management advice and a debt management referral service in partnership with the charity StepChange. These measures were well received and well used, and while we as a university were unable to 'solve' this crisis for our students, the measures undoubtedly contributed to alleviating significant hardship and distress. Evaluation of our hardship and student bursary provision also demonstrated prevention of homelessness, discontinuation and anxiety.

In addition to cost of living mitigation, a range of funds and bursaries were disbursed through our Success for All Fund which was created to provide a one-stop-shop for students requiring a variety of financial support. We also awarded the Access to Exeter Bursary to students on low household incomes; tuition fee waivers for care leavers; and Sanctuary Scholarships for refugees and asylum seekers. We are particularly proud of our sector-leading work to support

care experienced students, which provides holistic student support from pre-application through to graduation via our Exeter Cares service run in conjunction with the Student Unions. Our success in increasing the number of care leavers studying at the University has been reflected in a steady but significant increase in investment related to tuition fee waivers. Looking ahead we have extended the eligibility criteria and payments within our bursary scheme next year in anticipation of continued pressures on low-income students. The University spent £6.89m in financial support in 2022/23 representing a 16% increase compared with the previous year.

Disabled student support

The proportion of students disclosing one or more disabilities continued to grow in 2022/23 and our AccessAbility and Wellbeing Services experienced their ninth successive year of escalating demand for support. Disability disclosure to the institution now stands at 21%; of these 38% are disclosures of mental health disability and 28% are disclosures of a specific learning disability. During the year our teams in Wellbeing Services provided support for 2,266 students, an increase in demand of 45.2% for disabled student support appointments and 27.2% for mental health support appointments compared with 2021/22.

More students disclosed pre-existing mental health conditions than ever before. The number of those with complex mental health needs continues to rise rapidly. Approximately 10% of the student population have disclosed neurodivergent disabilities which includes dyslexia, dyspraxia, ADHD or a social/communication condition. As a result, demand for services such as talking therapies, crisis support, and mental health mentoring increased substantially. Investment in mental health support included the development of our ongoing partnership with NHS Talkworks, a free confidential talking therapy services provided by Devon Partnership NHS Trust; a flagship jointly funded University-NHS University Community Mental Health Team partnership initiative; specialist counselling through Nilaari, a service specifically for Black and minority ethnic students; and online self-help tools such as Silver Cloud, Togetherall and Living Life to the Full.

Our support for students with disabilities begins before they arrive to make sure they have plans and facilities in place to support them. Our Disability Advice and Support Team offers help to students with a disability, long term health condition or learning disability. This may include creating an individual learning plan and

recommending adjustments, helping students apply for DSAs-funded non-medical helper support and equipment, and accessing support arrangements such as adapted accommodation. As of August 2023, the service received 32% more pre-arrival prospective disabled student request for support forms compared to August 2022.

Our Education Welfare Team based within our Student Hubs provides readily accessible 'first-step' academic advice and support for students whose physical or mental health is affecting their studies. This may include signposting to support, advice on mitigation or help to overcome a particular issue relating to their studies.

The University undertook an institutional review of Student Wellbeing (across professional and academic delivery structures) between February and May 2023, and this has resulted in additional funding, notably to support students in crisis but also to provide a comprehensive staff training programme in mental health awareness and suicide prevention. During the year expenditure on disabled student support was £1.2m representing an increase in spending of around 9% compared with the previous year.

Research and evaluation

Good quality evaluation is vitally important in our efforts to improve continuously our strategies and interventions to widen access to higher education and support students to succeed. We use the insights we gain from evaluation to shape the provision we offer by a) designing activities informed by existing knowledge and evidence; b) continuously improving programmes to meet the needs of prospective and current students; c) understanding the impact of our interventions on students and their outcomes; d) informing investment decisions based on an understanding of what works.

We aim to have a robust evaluation strategy in place for each activity that we do which focuses not only on a single outcome (such as whether a participant in an activity went on to higher education or not) but also short to medium outcomes (such as whether a participant in an activity increased their knowledge, confidence, or academic skills, for example). This helps us to understand not only what works, but how and why. We apply a wide variety of methods to evaluate our activity including longitudinal tracking of educational progress through the Higher Education Access Tracker (HEAT) and other quantitative analysis via UCAS benchmarking

and Strobe data; surveys and focus groups; and analysis of internal metrics, such as degree performance. Often, a mixed-methods design is used.

Research to support access and participation is led by our Centre for Social Mobility which brings together academics in access and participation with practitioners to develop research-informed practice and applied research. Research in this year, for example, included exploring the barriers faced by working class boys in engaging with outreach and progressing into higher education to inform a new fair access scheme. The Centre has been instrumental in the creation of the Southwest Social Mobility Commission, which was formed in 2022/23 to take forward recommendations arising from work to identify barriers to social mobility within the region. This included a pilot tutoring project run with the Ted Wragg Trust, with evaluation of its impact on literacy widely reported within the media. The Centre continued its successful small bids scheme, funding a variety of projects related to inclusive education and progression, resulting in outputs including journal articles and conference presentations. We also extended our contribution to sector evaluation. The Director [Practice] chairs the Russell Group Widening Participation Evaluation Forum to build knowledge,

capacity, and best practice. We began a national employability evaluation pilot, working in partnership with TASSO to report on our Access to Internships Scheme, and in June hosted the NEON Summer Symposium, bringing together practitioners from across the sector to benefit from sharing evaluation and best practice. Despite significant activity to support evaluation, expenditure was lower than planned this year due a variety of factors including success in winning external funding, a temporary reduction in staffing capacity and a pivot to in-house work instead of external commissioning. During 2022/23, expenditure on research and evaluation was £478k, an increase of 16% in comparison with the previous year.

Looking Ahead

We recognise that students will continue to bear significant financial pressures and we will carry on our work with the Students' Guild and Students' Union to develop and implement support initiatives to enable students to engage with their studies and complete their courses so they can progress into careers and make a difference in their world.

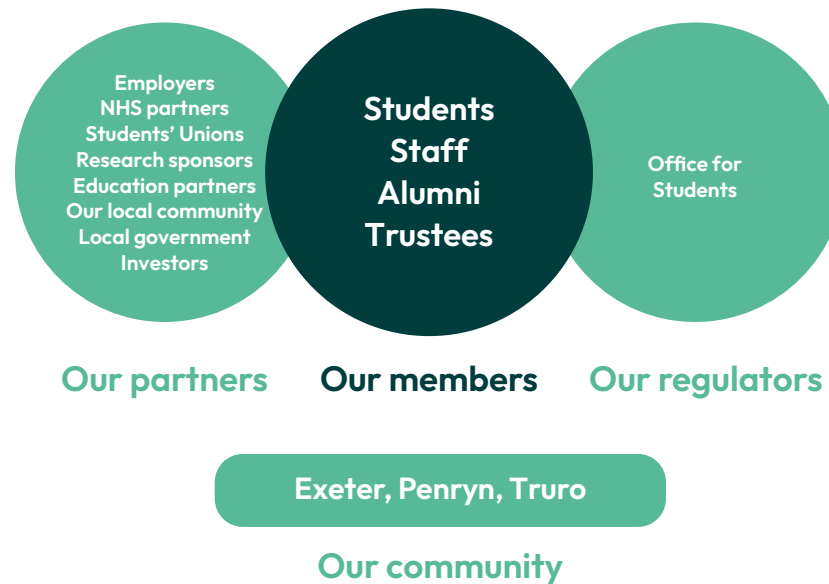
Our Stakeholders

The University is a community made stronger by our members, our students, staff, alumni and members of Council, and those who support us, fund us, work with us, live with us or regulate us – our stakeholders.

To our stakeholders, we thank you for your continued support and this Annual Report is principally addressed to you.

As a major employer and as an anchor organisation in the region, we contribute £1.6 billion to UK economic output, supporting 15,500 jobs through its economic activities and student and visitor spending across our campuses in Devon and Cornwall. An independently commissioned report from Oxford Economics powerfully demonstrates the economic contribution to the UK and regional economy.¹

¹<https://www.exeter.ac.uk/about/economicimpact/>



How we create value

To use the power of our **education** and **research** to create a **sustainable, healthy and socially just future.**

This Annual Report describes how we have developed all our key resources, or inputs, over the year, through the focus of Strategy 2030, providing a comprehensive overview of our performance over the year to 31 July 2023.

What follows is our assessment of our performance over the year in each of these 6 areas.

Inputs

Education & Student Experience

Research & Innovation

Place

People

Partnerships

Finance and Physical Resources



Lead meaningful action against the **climate** emergency and **ecological** crisis.



Make key breakthroughs to transform **human health** and **wellbeing**.



Lead the progress towards creating a **fair, socially just** and **inclusive** society.

Outputs

Challenge and inspire our community of learners from every background to thrive, develop the skills they need for the future and lead the change the world needs

Our dynamic and innovative research culture fosters new discoveries, inspires creativity and brings people together to solve the challenges of today and tomorrow

We are a global university with regional, national and international impact and relevance

We support each other to thrive, be fulfilled and reach our potential. We celebrate diversity, are inclusive, fair and compassionate

We work together to overcome the challenges of the twenty-first century, working with partners, students and alumni

Long-term financial sustainability through rigorous management of our finance and assets, enabling investment in our strategic priorities

How we performed: Education and student experience

Student outcomes

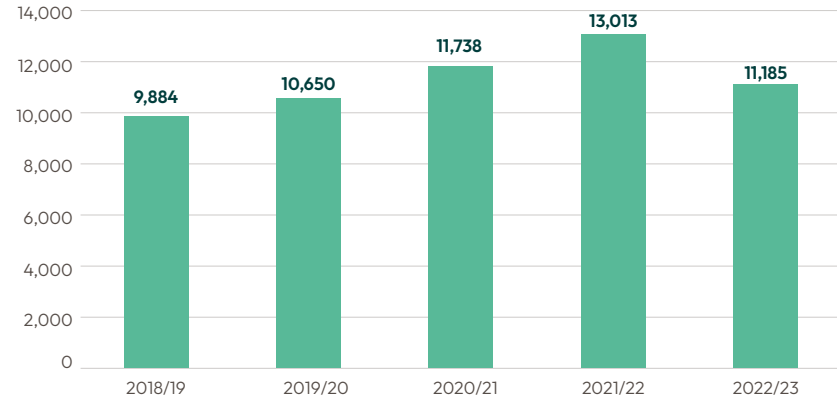
The University continues to support students in achieving the best possible outcomes beyond their time at Exeter. The latest Graduate Outcomes Survey (conducted 15 months after a cohort has graduated) has seen the number of graduates in highly skilled employment increase by 1.4% to 85.4%. We continue to deliver activities in support of positive progression routes. We have increased the Access to Internships (A2I) budget through the access and participation plan providing over 200 internships. The University has also launched a Task and Finish Group to review our whole institution approach to Graduate Outcomes and Educational Gain and will report in the Spring of 2024. The University also continues to focus on its degree outcomes and has continued to publish its annual Degree Outcomes Statement. The 2023 report demonstrates that the University's award of good honours degrees has begun to return to pre-Covid levels and continues to seek to address recognised awarding gaps.

TEF submission and outcomes

In the 2023 Teaching Excellence Framework (TEF), the University achieved an overall rating of Gold, supported by Gold ratings in both underpinning aspects of Student Experience and Student Outcomes. The Office for Students defines gold to represent the highest quality in the UK. Exeter is one of only four Russell Group institutions to have been awarded gold in both of these, recognising our sector-leading partnership with our students in pursuit of excellence in education and engagement in our research.

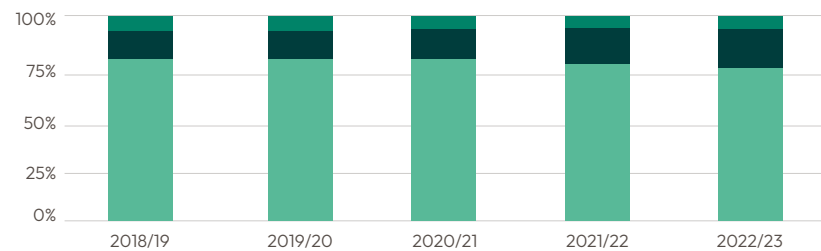
The panel assessed several features of our work around student experience and student outcomes to be 'outstanding', with all other aspects being rated of 'very high quality'. We are particularly pleased that the panel judged there to be compelling evidence that our outstanding and very high quality features apply to all our student groups, including very positive indicators for our students from underrepresented groups. The panel also drew out specific examples of the effectiveness of our work, including our 'Transformative Education Framework' which supports departments to embed inclusive education, racial and social justice, and sustainability into the curriculum. In addition, the panel recognised the supportive student submission recognising a culture of working with our students to enhance practices that support teaching and assessment.

New Student Entrants
Full Time Equivalent

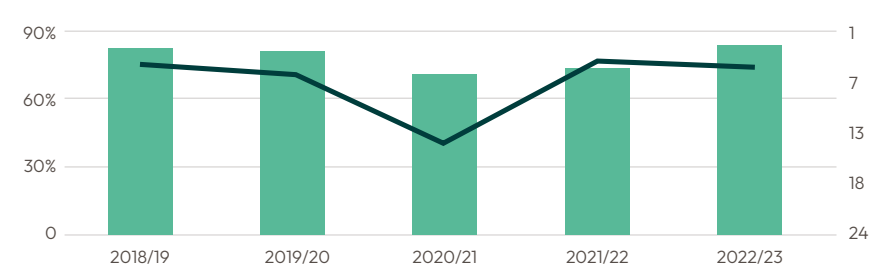


The reduction in entrants is principally due to our planned return to more normal levels of Home Undergraduate entry, following two extraordinary years affected by the reaction to the Covid pandemic's impact on exams.

Total Student Numbers
Full time equivalent by level of study



National Student Satisfaction Survey
KPI Score (LHS) Russell Group Rank (RHS)



TEF
2023

Overall: **Gold**

Student experience: **Gold**

Student outcomes: **Gold**

Teaching Excellence Framework



NSS

In August we received the results of this year's National Student Survey (NSS), which showed that student satisfaction at Exeter remained among the highest in the Russell Group. The University ranked in the top 10 for the group in all but one theme, with particular strength in our "learning resources", "teaching on my course" and "academic support". Averaged together across questions 1-24, Exeter ranks in the top five institutions in the Russell Group. Across our academic areas, ten of our disciplines ranked in the top ten in the country according to institutional KPIs, with our Arab and Islamic Studies the best performing in the country. A total of 4,354 Exeter students responded to the survey, a significant increase on 2022.

Enhancing the student experience

Partnership with our student community is the hallmark of the University. Our students are active participants in the production and dissemination of knowledge; innovation in education; and in all strategic decisions and policies. Our partnership with the Students' Guild and Students' Union continues to advance outstanding student experience and outcomes, informed by our co-created Student Experience Framework and directed

by our co-led Student Experience Partnership Board. The Student Experience Partnership Board seeks to ensure synergy between the two students' unions and the University in support of the holistic student experience. In the first year of operation, this Board has guided our collaborative response to the cost-of-living crisis, which has been well received by students, and has contributed to joint initiatives in relation to belonging and connection, mental health and wellbeing and student academic support.

Following a successful pilot in Spring 2023, we have rolled out an upgraded version of the Exeter Learning Environment (ELE) in readiness for the new academic year. This new platform delivers an improved user experience for students, along with new coursework management tools. Assessments can all be undertaken and marked within ELE, along with enhanced marking and feedback tools such as annotation, audio feedback, group feedback and double-blind marking. Students will be able to see an overview of all their assessments, see historical data from their previous years of study (from 2024), and be able to view marking criteria before undertaking assessment.

Supporting students through the cost of living crisis

One of our key institutional priorities this year has been supporting our students with the cost-of-living crisis. At the start of the academic year 2022/23, the University allocated £1m to its Success For All fund, to support students who are in financial difficulty. We also provided £870,000 for one-off winter support bursaries for eligible students, and additional provision for self-funded PhD students. Alongside other universities, we sought a rise in the stipend for PhD students funded by UKRI, resulting in a 13% rise, and we committed £1.2m to match this rate for PhD students funded by the University. This is in addition to the £5.5m we had already invested in bursary support for UG home students from lower income households; bursaries for students without family support; and a paid internship scheme for low-income students.

Alongside this, we introduced policy changes, including amending the payment dates for fees; introducing financial circumstances as a reason for mitigation in assessments and exams; and increasing the mileage subsidy for BMBS (Bachelor of Medicine, Bachelor of Surgery) students on work placements. Additionally, we've partnered with the UK's leading debt advice charity, Step Change, to provide free and impartial support, and students can be referred for support if they are struggling with their finances.

Degree Apprenticeships

One of the University's strategic priorities is to expand our degree apprenticeships to support learners at all stages of their careers, and this year we have made significant progress. In October 2023, we launched our Centre for Degree Partnerships, with the core aim of growing our provision and ensuring exceptional quality of education. Together, the Centre for Degree Partnerships aims to provide an alternative pathway to education and skills opportunities, and we have a goal of enrolling 5,000 new apprentices a year, by 2030. This will be achieved by growing our new and existing employer relationships, and ensuring that our curriculum meets the skills needs of employers, now and in the future.

New roles to enhance innovation and excellence in education

To support the delivery of our Strategy 2030, this year the University appointed a new Director of Education & Innovation, with responsibility for the areas of innovative programme development, technology

enhanced learning and the Education Incubator. We also appointed a new Director of Teaching Excellence and Enhancement, with responsibility for the areas of quality, standards and enhancement of teaching and learning, to ensure that success for all and equality of opportunity are embedded across all academic units. Together these posts will be involved in establishing and Co-Directing the planned Learning Futures Institute envisaged in our 2030 Strategy.

Widening participation and Success for All

This year we have made excellent progress towards our commitment to grow the diversity of our student population through supported application, enrolment and transition. We can confidently say that the University has never had such a wide range of entrants as it did in September 2022, and this acts as a springboard for further progress in equality of opportunity at Exeter. Whilst much of our work to ensure equality of opportunity is captured in our Access and Participation Plan, required by the Office for

Students, our commitment to Success for All extends further than this, and includes students that fall outside the regulatory focus. Our Success for All Strategy brings together colleagues from across the University around our common objectives, and this work is the bedrock on which we build our joined-up and strategic approach to equality for opportunity for access, academic success and progression to graduate employment or further study. In recognition of our work to address inequalities, we were delighted to be named University of the Year by NEON, the organisation supporting widening participation practitioners.

Our flagship fair access scheme, Exeter Scholars, provided places for 1,000 eligible students this year, including a Year 10 residential programme. The scheme offers a progression pathway to studying at a higher education institution, and in September 2022, a record-breaking (184) number of Exeter Scholars began undergraduate study at Exeter.

4* 47%
 World-leading
4* +3* 89%
 Internationally excellent
 and world-leading
4* +3* +2* 99%
 International quality,
 Internationally excellent
 and world-leading

How we performed: Research and innovation

Research Excellence Framework (REF2021) Results as published in May 2022

18th by Research power



REF2014 research power ranking: 21st

3.35 Institutional Grade
 Point Average (GPA)

More information found in the bottom left corner

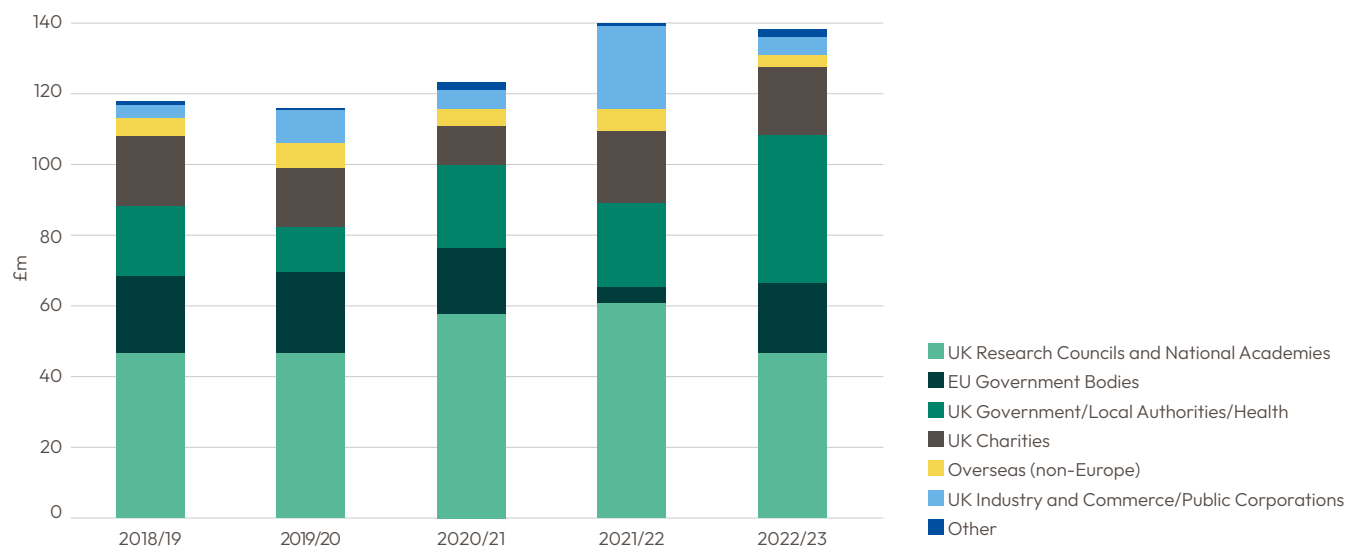


⁺ REF2014 3.08; increase of 0.27.

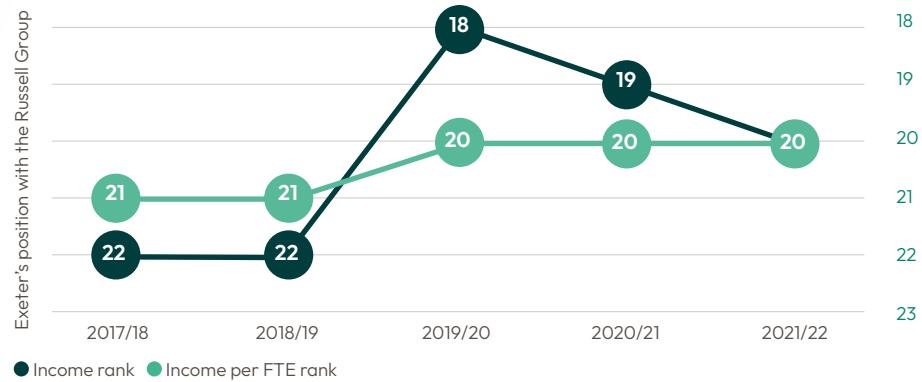
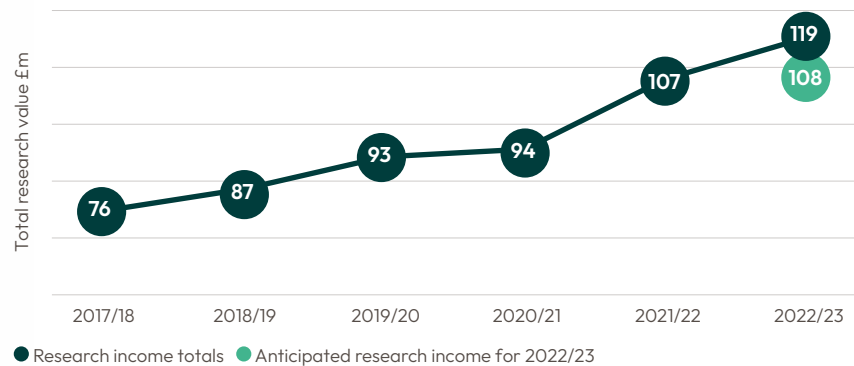
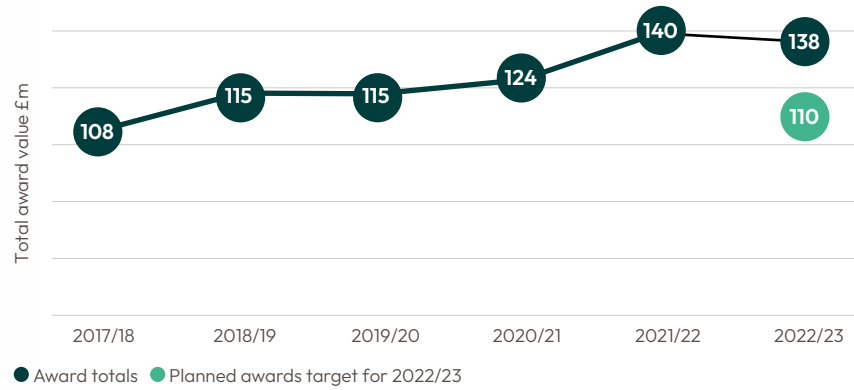
By Research Power
5 UoAs* in the top 5
9 in the top 10
19 in the top 20

*UoA = Units of Assessment, the discipline-level structure at which REF2021 is assessed

Research awards by sponsor category



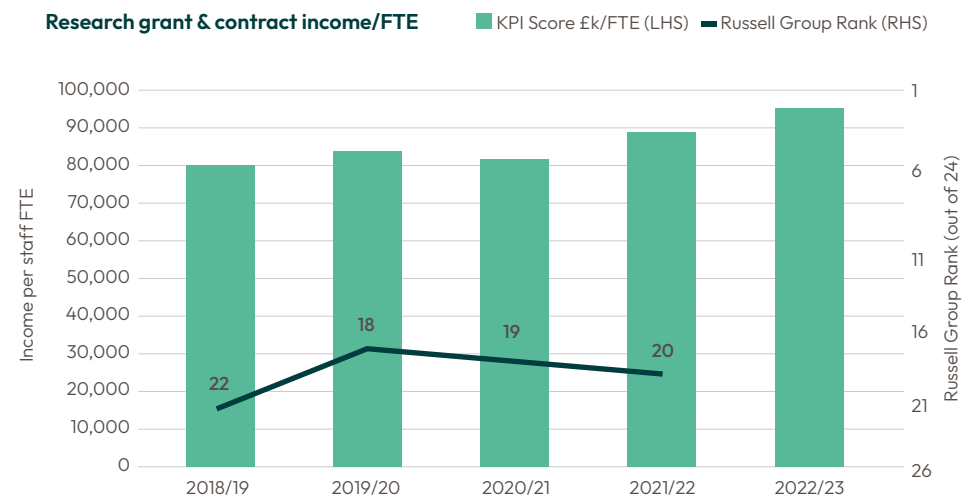
⁺ Grade point average (GPA) is a way of simplifying the Unit of Assessment profile for outputs, impacts, environment or the overall quality to a single number. It does not take account of the number of staff submitted. It is calculated by multiplying the percentage in each grade by its rating (4*, 3* etc.), adding them all together and dividing by 100. This results in a figure between 0 and 4.



This year we report:

- greater diversification in research award sponsors
- exceptional success with external funding awards for research, exceeding the anticipated target by 25%, securing £138m in awards.
- year on year growth of 11% in income from research and contracts
- additional £10.5m in Research England QR grant following our success in REF 2021.

Research grant & contract income/FTE





Promoting interdisciplinarity and an open research culture through new structures

In September 2022 we launched our new University structures and are now organised into three academic faculties. This ambitious project is helping us realise our bold and inspiring vision to use the power of our education and research to lead the progress towards a greener, healthier, fairer future. Interdisciplinary collaboration within the institution has always been a critical strength. Our new faculty structure is helping us to further enhance this complemented by our cross-faculty University Institutes and cross-disciplinary Exeter Research Networks. Each of our thirteen Exeter Research Networks involves a critical mass of over 100 academic staff and postgraduate researchers and each has a membership spanning across all three faculties.

More empowered and connected departments allow our academic communities to build dynamic and inclusive research cultures sharing good practices within a department, within a faculty and across the institution. Throughout 2022/23 faculties and departments have been implementing research culture action plans which are enabling them to support greater

research leadership, open and reproducible research practices, develop structures to nurture emerging talent, embed practices which support equitable practices, and allow our research communities to live up to their potential and aspirations, and demonstrate greater research excellence in their activity.

This is highlighted in our continued success with the highly competitive UKRI's flagship Future Leaders Fellowships which recognises and nurtures research and innovation leaders. Applications made in 2022/23 have resulted in three Exeter researchers being awarded these coveted fellowships from the departments of Archaeology and History, Geography and Mathematics and Statistics

Launch of Green Futures Solutions Hub

Governments, businesses and scientists around the world know that we need a rapid, credible and just transition to a Net Zero economy. We are at the beginning of a green industrial revolution which will see a global economy built on sustainable growth – but to succeed, businesses and governments need the knowledge, data, skills, innovation and research expertise to develop the infrastructure, products, services, policies and teams that are fit for the future.

The University of Exeter has more than 20 years' experience in environment and climate research. Our climate scientists are some of the most influential in the world, and the partnerships we have fostered make us a potent force to collaborate with. The University has more than 1,500 people working broadly across climate and environmental disciplines, and five of the world's top 21 climate scientists work here, more than any other UK university. Additionally, our partnership with the UK Met Office makes the University a global leader in climate data and analysis.

In June 2023, the University of Exeter launched Green Futures Solutions. Green Futures Solutions is a new way for the University to engage with the world, offering a simple way for businesses and other organisations to engage with us and our world-leading knowledge, research, data and skills. We already work with hundreds of organisations to deliver Net Zero and environmental sustainability, and Green Futures Solutions is designed to scale up and speed up this support, enabling our world-leading experts to collaborate with businesses and governments on the solutions required in the critical decade ahead. We know that organisations need personalised support

and expertise, and our team listens and works in partnership to deliver tailored solutions in areas such as environmental intelligence; critical minerals; circular economy; nature-based solutions; and research and development.

COP 27 – our activity and its impact

In November 2022, academic colleagues from the University of Exeter played a significant role in discussions at the United Nations Climate Change Conference, COP27, in Sharm El Sheikh, Egypt. Research at Exeter has led the way in informing conversations at the highest level, and showed extraordinary breadth, with valuable contributions from climate scientists to storytellers using a full range of skills and perspectives so that we can tackle the climate and environment emergency in an holistic manner. Key activity included the launch of the Global Carbon Budget 2022, led by Professor Pierre Friedlingstein, which took place at a UK press conference and revealed the latest trends in carbon emissions, and its ramifications for reaching our climate goals; Professor Richard Betts contributed in a talk hosted by the Intergovernmental Panel on Climate Change, on what it means to exceed 1.5°C; and a drama production adapted from

We Still Have a Chance, 12 Climate Stories for 12 Days of COP27, in which scientists, health professionals and artists from Exeter came together with other world academics to inspire creative outputs through storytelling.

Hosting the British Science Festival

In September 2023, the University of Exeter hosted the British Science Festival as its 2023 host partner. The festival was held on 7-10 September, with events co-located on Streattham Campus and across the city centre, and saw our world-class academic colleagues from all faculties join others from across the UK to present a range of diverse subject areas. The aim of the festival was to bring science to the wider public (aged 16 plus), in the form of free-to-attend events, including installations, exhibitions, talks, panel discussions and performances. More than 7,000 members of the public attended events over the course of the festival, which included a science market in Exeter Cathedral; a killer fungus escape room experience; AI-controlled air traffic control; and a panel looking at how athletes prepare for the world's biggest races, with Exeter alumnus and British olympian Jo Pavey MBE. Other highlights included an expert panel discussion with the BBC

Sky at Night presenters Dr Maggie Aderin-Pocock MBE, Professor Chris Lintott and Pete Lawrence; a talk from BBC Studios' Natural History Unit; and a conversation event with our President and Vice-Chancellor and TV presenter Hamza Yassin.

BRC with NHS

Our new Biomedical Research Centre (BRC), funded through a £15m award from the National Institute of Health and Care Research (NIHR), is the first of its kind in the South West. The BRC is set to become the jewel in the crown of our partnership with the Royal Devon University Healthcare NHS Foundation Trust, and will take our research to the next level by enabling us to make breakthrough research discoveries and find new treatments, through working with some of the most senior researchers and clinicians in NHS trusts across the South West peninsula. By working together in this way, we will maximise the benefit of translational research for patients across the region, and ensure that treatments are put into practice sooner. The centre has the five key themes of neurodegeneration, rehabilitation, diabetes, genetics and clinical mycology, all areas of key strength for the University, and also has a strong focus on training the researchers

of the future, so that we can ensure we are making a positive and permanent impact on the health of future generations. The BRC is not only testament to our research strengths, but enables us to further build upon our health science ambitions and deliver our Strategy 2030 ambition to transform human health and wellbeing. BRCs at other universities typically leverage significant additional funding from other organisations to support experimental medicine and early translational research, increase collaborations with companies in the life sciences sector, increase the development of new patents and spin-out companies and increase the generation of intellectual property based income.

How we performed: People

Student and staff wellbeing – WICC, suicide prevention, gender safety

Our Strategy 2030 clearly states our ambition to enhance and celebrate the diversity of our community and to be inclusive, fair and compassionate in everything we do, prioritising the health and wellbeing of our People. Over the academic year 2022/23, we developed a Wellbeing, Inclusion and Culture Committee (WICC) to provide senior leadership and ensure delivery of our health and wellbeing, diversity and inclusion and development strategies, and their intersectionalities. WICC's priorities for this academic year have been wide-ranging, focussing on workload allocation, a refresh of Exeter Academic and a review of Exeter Professional; development of a comprehensive leadership programme for academic and professional services colleagues; moving the dial on the gender pay gap; Race Equality Charter Mark implementation; bystander intervention upskilling for students and Fair Employment For All (including our commitment to the Living Wage and a reduction in the use of casual contracts).

Gender safety

A particularly important strand of WICC has seen our work to improve gender safety, including through delivery of initiatives such as Safer Streets 4 and bystander intervention training. Through Safer Streets 4, the University has continued to subsidise a night bus, make personal safety alarms freely available to students, designed (with student involvement) safe walking routes across campus, and increased lighting along footpaths, whilst at the same time improving safety in the city of Exeter, through a Home Office-funded project which has included setting up a safe space in the city. On bystander training, the University has trained more than 1,000 students in face-to-face sessions since October 2022, with 99% positive feedback reflecting that the training has given students the confidence to intervene in situations as necessary. We will continue to adapt this training in line with student feedback, as we understand that the establishment of bystander culture and language is critical for success.

Student Mental Health and suicide prevention

Student Mental Health continues to be a top priority for higher education institutions, and the University is acting to safeguard student wellbeing in many ways. We've

developed suicide safety training for all colleagues, which raises awareness of the signs and symptoms associated with poor mental health, and helps colleagues identify the warning signs of acute stress. We have also undertaken an important strategic review of student mental health, chaired by Sir Richard Atkins, one of the University's Council members. The recommendations of this report are informing the University's Mental Health Strategy, and the findings will also support our application to the University Mental Health Charter in Autumn 2023. As part of our commitment to student wellbeing, building work also continues on our new Student Welfare and Wellbeing facilities, into which the University is investing £3m.

Our Culture Conversation

As part of the work of WICC, the University launched its first Our Culture Conversation in May. The purpose of Our Culture Conversation is to obtain real-time analysis of colleague feedback with a focus on Wellbeing, Inclusion and Engagement. In each round, we will be identifying two-to-three key action areas that will impact positively on colleagues' experience. Insights from Our Culture Conversation will also be fed into University and Faculty WICCS, in order to aid action planning, prioritisation and evaluation.





Celebrating diversity, striving for social justice

As a University with a global outlook, we celebrate our diversity and offer colleagues, students and our wider community the opportunity to engage in EDI themes across the year. This includes International Womens' Day; Black History Month; Pride and LGBTQ+ History Month; Neurodiversity Celebration Week; along with cultural celebrations such as Lunar New Year, Passover and Diwali. But we know that true social justice goes beyond celebrations, and that we need to lead the way on progress towards true equality for all. One of our key initiatives this academic year has been to join WHEN's 100 Black Women Professors Now programme, which supports Black academic women to navigate and manage their careers; challenge institutional assumptions and bias; and recognises the need to address fundamental societal inequalities. This year, seven Exeter academics have joined the programme's second cohort, the first step towards propelling equity of opportunity for Black women academics, so that we can address the shocking statistic that, out of more than 22,000 professors at UK universities, only 41 are Black women. We also know that we need to go further for Black students, and this year we have launched four-year fully-funded

PhD studentships to support Black British researchers, with philanthropic donations from University of Exeter alumni. The aim of these scholarships is to improve access and participation in PhD study for talented Black British students, and the scheme will fund at least eight students, with three studentships (one in each of our faculties) now open for applications for an October 2023 start.

Race Equality Charter Mark

The University of Exeter secured the Race Equality Charter Mark Bronze Award in 2022, and is moving forwards with delivery of the comprehensive action plan that was created as part of our application. The Self-Assessment team has now transitioned to the Strategic Race Equality Group, which will monitor the progress of 40 action areas leading up to our submission to retain our bronze award in 2027. We are already seeing progress around inclusive education, and this work is particularly significant as it intersects with other areas of our EDI work. Our key foci this year have been leading work on improving data and insights for ethnicity, working with students on antiracism projects and launching a review of our recruitment processes.

Athena Swan and the gender pay gap

Our Gender Equality Group continues to monitor the University's upcoming Athena Swan Institutional Silver application, which is due for submission in January 2024. Our 2022 gender pay gap report, published in March 2023, presented that 58% of University staff are female. The statutory mean gender pay gap has reduced by 2.3% compared to March 2021, and the statutory median gender pay gap reduced by 3.7% compared to March 2021. The mean and median pay gaps (excluding ad hoc / claims staff) are 14.6% and 10% respectively. The gender pay gap is larger in the academic job family (11.9%) compared to professional services (4.4%), and the pay gap is larger for part-time staff. Several actions to reduce pay disparity have been taken, including pay reviews, reducing bias in recruitment, and building parity and equity consideration into academic promotion and pay progression. Further focus is continuing to address progression equity, rigorous consideration of pay exceptions, and developing a better understanding of female colleagues' experiences through the Culture Index.

4.2 Stonewall Workplace Equality Index: Silver Award

The University continues to work closely with the LGBTQ+ charity, Stonewall, through its Diversity Champions Programme, a good practice employers' forum for LGBTQ+ inclusion. Our ongoing commitment to the inclusion of lesbian, gay, bi, trans and queer people within the workplace was recognised by Stonewall, with the University ranking in the top 150 employers and receiving a Silver award.

Universities Human Resources (UHR) award

The University's Wellbeing and Occupation Health teams achieved a UHR 'Wellbeing' award for the development of the 'Supporting the mental wellbeing of your team' online training, as well as the development of the 'Colleague Mental Health Champions' initiative. These hugely collaborative projects bring together academic experts, health, wellbeing and learning and development professionals, as well as external partners - all coordinated by the University Mental Health and Wellbeing Board led by our former Provost, Professor Janice Kay.

How we performed: Partnerships

The University of Exeter works with universities and organisations across the world that share our values, in pursuit of new discovery, academic excellence and transformative impact. Our goal is to collaborate with leading universities around the globe to deliver outstanding research, cutting edge education, and respectful knowledge exchange. We work with universities in lower and middle income countries and are committed, in our partnership principles, to delivering the United Nations Sustainable Development Goals (SDGs).

QUEX

The QUEX Institute is a partnership with the University of Queensland, which shares a common mission and commitment to addressing climate action, responsible consumption and production, and affordable clean energy – just three of the SDGs where our work delivers meaningful impact. Together we are able to amplify our impact, harnessing the world-class research of both our institutions to generate world-leading research under the themes of Global Environment Futures; Digital Worlds and Disruptive Technologies; Healthy Living; and Mineral Security and Sustainability.

In April, the University hosted the first in-person QUEX Symposium since the Covid-19 pandemic, giving QUEX students and researchers the opportunity to present their research, network and participate in a wide range of skills and career development activities. QUEX continues to grow, this year making its biggest joint investment to date in a shared area of exceptional expertise. Over its six years, the QUEX community has secured over £16M external research funding and produced over 200 publications. It has supported 52 PhD candidates, seven of whom have already graduated.

CUHK

The University's partnership with the Chinese University of Hong Kong enables us to jointly tackle emerging issues related to a changing environment and human health and wellbeing. In June, the two universities signed a new five-year commitment to the CUHK-University of Exeter Joint Centre for Environmental Sustainability and Resilience (ENSURE), launched in 2018. ENSURE supports large, impactful, interdisciplinary collaborations and serves as a platform for international academic exchange. It promotes policy-related work, and nurtures the next generation of young researchers to address

sustainable development challenges. The new commitment sets out our priorities for the next phase of ENSURE with a concerted focus on impact, through engaging with policymakers and industry, and on dedicated support for early-career researchers and PhD students.

Met Office partnership - JCEEI

The University partners with hundreds of organisations and businesses in our region, in order to scale-up the impact of our research so that we can make a real difference to the communities we serve. Our partnership with the Exeter-based Met Office, through the Joint Centre for Excellence in Environmental Intelligence (JCEEI), brings together world-leading researchers from both organisations, to advance our research in Environmental Intelligence, a field of knowledge that is using the power of data science and Artificial Intelligence to transform our understanding of the natural environment. The focus of the JCEEI includes climate change, clean air, health, and extreme weather events, working across three programmes – Research, Development and Application; Infrastructure and Data Engineering Research; and Capital Building and Skills Development. The partnership has a strong interdisciplinary

focus, and brings together world-leading researchers from a range of disciplines, as well as working with industry, businesses, governments and other stakeholders. The JCEEI is now providing a hub for cutting-edge research and training, building on our existing strengths so that the University and Met Office are trailblazing in this new field of research.

ESI

On our Penryn Campus, our Environment and Sustainability Institute (ESI) celebrated its 10-year anniversary in June 2023. The ESI was originally established with the aim of working collaboratively with businesses and organisations in the region, and now delivers solutions to global challenges whilst also boosting the blue-green economy and producing high-quality jobs and opportunities in Cornwall and the wider South West. Since its inception, more than 1,000 Cornish SMEs have been supported by EDRF-funded ESI projects; a Resilience of Coastal Communities project is aiming to strengthen the economy of marine and coastal communities in the region; our RENEW project has brought together 830 partners to tackle biodiversity loss, supporting by £10m of NERC funding; and ESI researchers





have worked with Cornwall Council to use “Doughnut Economics” to assess the current state of environmental conditions across Cornwall, exploring the uneven geography of challenges and opportunities in the county, and assessing how leaders of statutory services can work together to deliver the ambitious Cornwall Plan. The ESI is one of the University’s most important assets, and leads the way on several aspects of our Strategy’s key missions.

CREWW

This year, work has begun on our Streatham Campus, for a new Centre for Resilience in Environment, Water and Waste (CREWW) building, an exciting new venture between the University and South West Water (SWW). When finished, the building will be the first purpose-built, transdisciplinary research centre in the water sector, and will be a critical space for CREWW colleagues to take their work even further, in their quest to find solutions to how we manage our natural resources, ensuring there is enough water to cope with population growth and climate change, and improving the resilience of our water infrastructure to cope with floods, droughts, and pollutants. Researchers from departments as diverse as Geography,

Biosciences, Engineering, Economics and Psychology will work with SWW colleagues as well as partners across industry, government and NGOs, using state-of-the-art, specialist laboratory facilities and collaborative spaces to solve pressing challenges. The work of CREWW, and the new building, is a testament to the strength of the University’s relationship with SWW, and demonstrates how our partnership approach will deliver a greener, healthier, fairer future.

Knowledge Exchange Awards

In October 2022, the University of Exeter hosted the Knowledge Exchange Awards, to celebrate the best collaborations between University researchers and external partners, regionally, nationally and globally. The awards saw three projects shortlisted for seven categories, judged by a panel of senior University colleagues and external reviewers, and in total more than 150 nominations were made, demonstrating the quality and diversity of knowledge exchange taking place at the University. Every year, we partner with more than 2,000 projects across key sectors, and these awards are an opportunity to champion this work, and to celebrate the many ways that we work with partners to take our research into the wider world.

Global Advancement

The University witnessed its most successful year of philanthropic endeavours ever. £33 million in donations was pledged, alongside a record 17,500 volunteering hours secured – all of which provides resource to facilitate the University’s 2030 Strategy.

In February 2023, the University secured a transformational philanthropic gift from His Highness Sheikh Dr Sultan bin Muhammad Al Qasimi, the Ruler of Sharjah. The gift will co-fund the construction of a new building on the Streatham campus benefitting researchers across the three faculties and new space for the University’s growing student population.

The year was also marked by many seven figure pledges to support areas as diverse as a scientific survey of the world’s ocean floors; a new professorship to look at the future of mining; a permanent endowment to fund scholarships for aspiring young medics from Devon and Cornwall; and seed-funding to establish the Green Futures Solutions initiative.

During the period the Global Advancement team organised 141 events to engage alumni and supporters. 57 of these were in the UK,

and 84 international – the latter including high profile President and Vice Chancellor hosted events in Sharjah, Hong Kong, Shanghai and Beijing. It worked with over 100 alumni ‘Country Contacts’ and formal alumni networks in key countries such as China, India, Malaysia, the Middle East and the USA, delivering social and professional networking opportunities.

The Global Advancement team has also focussed on ways to harness the alumni community to bolster the University’s international student recruitment marketing strategy. For example, 90 alumni took part in video profile interviews during the year. Additionally, over 100 alumni were involved in in-country international student recruitment activities, such as fairs, offer holder events, agent presentations and virtual events.

How we performed: Place



Civic University Agreements

This year, the University has made good progress towards establishing three Civic University Agreements (CUAs) with Exeter, Cornwall, and Devon and Torbay. These important agreements establish how we work in partnership with other anchor institutions in the region to help find solutions for society's most pressing problems, and are a public declaration of how we will work with our partners to enhance and enrich the economy, society and the environment. CUAs recognise that the University is fundamentally linked to our place, and that working together benefits our people, businesses, and the environment.

In September 2023 we launched our Civic University Agreement for Cornwall and the Isles of Scilly, at a large event on our Penryn Campus. The agreement will see us partner with Falmouth University, Cornwall Council, the Council of the Isles of Scilly, and the Cornwall and Isles of Scilly Integrated Care Board (CB). Through this agreement, we will explore with local partners how their facilities and specialist resources, teaching and skills, and research and knowledge exchange can be leveraged for the benefit of the region's businesses and communities. The agreement identifies four priority areas for action: Green Futures; Healthy Futures; Fair Futures; and Creative Futures.

Our CUA with partners in the City of Exeter was launched in 2021 and is currently being refreshed. This agreement was jointly signed with Exeter City Council, the Royal Devon and Exeter NHS Foundation Trust, and Exeter College, and establishes our shared goals on issues such as sustainability, health, and economic growth. Our third CUA with partners in Devon and Torbay is being prepared and will be signed in the near future.

South West Social Mobility Commission

The University of Exeter is proud to be hosting the new South West Social Mobility Commission, chaired by our Chancellor Sir Michael Barber. The Commission comprises of 12 commissioners, of which our President and Vice-Chancellor, Professor Lisa Roberts, is a member. The Commission has been set up with the aim of transforming life prospects for disadvantaged young people across the South West region, in response to a report which showed that Devon, Cornwall and Somerset have some of the lowest rates of educational attainment by disadvantaged pupils of any English region. Just 40% of disadvantaged pupils in the region attained a pass in GCSE English and Maths in 2019 (compared to 60% in inner-London), and progression rates for pupils in the South

West are the lowest of all regions, with just 17% of disadvantaged students going onto university in 2018/19 (compared to 45% in inner-London). The University of Exeter cannot be a force for positive social change without addressing current inequities, and this dedicated and passionate group of civil leaders which make up the Commission will set goals for 2050, and for each five-year period between now and then, so that we can demonstrate continuous progress over the next decade and beyond. In recognition of the work so far carried out by the Commission, we are proud to have been nominated for a Times Higher Education Award for Contribution to the Local Community.

Supporting Ukrainian colleagues

The University of Exeter is a global community, embedded in our place in the region and world. Over the course of the academic year 2022-23, we have provided practical support to researchers through our participation in the Researchers at Risk Fellowship Programme. This Programme was established by the British Academy with the Council for At-Risk Academics (CARA), along with the support of the Academy of Medical Sciences, the Royal Academy of Engineering, and the Royal Society. It enables researchers and innovators to take up temporary fellowships

at UK institutions, so they can continue their important work, enhance their skills and build long-lasting collaborations with UK counterparts. One of the pressing priorities of the programme has been to support Ukrainian researchers under direct threat following the Russian invasion of Ukraine, and we are proud to have been able to provide support to researchers in this way.

We are unwavering in the support we offer our partners in higher education, and nowhere is this better exemplified than through the Memorandum of Understanding the University of Exeter has signed with King Danylo University in Ivano-Frankivsk, in the Oblast region of Western Ukraine. The University is proud to be a part of this twinning initiative, which aims to prevent the "brain drain" from the Ukraine and ensure that higher education in the country emerges stronger than ever. Acknowledging that higher education will play a critical role in post-war reconstruction, our partnership strengthens our resolve to ensure a more prosperous future for those affected. Our partnership has seen Law academics at Exeter investigate how to protect human rights during times of armed aggression and, working with colleagues and students in Ukraine, has given valuable insights into the challenges faced by a functioning society during periods of martial



law and armed conflict. We will be exploring opportunities for collaboration that will make a lasting positive impact, both in the UK and Ukraine.

National and International rankings

In September 2022, the University of Exeter was named as the runner-up in the University of the Year award, and placed 13th overall in The Sunday Times Good University Guide 2023. In October 2022, we were ranked 137th in the world in the latest Times Higher Education World University Rankings. We also broke into the top 150 in the QS World University Rankings for the first time, securing 149th position in the league table.

In January 2023, we strengthened our Top 50 position in the THE's league table of the most international universities, being ranked 39th in the world. These rankings consider each institution's proportion of international staff, international student numbers, international reputation, and the proportion of its research papers published with a co-author from at least one other country. This result reflects our efforts to offer a global student and staff experience, and to lead the progress around the world towards creating a greener, healthier, fairer future. In the Complete University Guide 2024, published in June,

our subjects were recognised as being amongst the best in the country, with eighteen subjects ranked in the top 10, including a first place ranking for Drama, Dance and Cinematics; fifth place for Theology; and sixth place for African and Middle Eastern Studies and Marketing. In total, 35 of our subjects achieved a top 20 position, and overall the University rose one place in the rankings, to 18th position, out of 130. Our international performance was further bolstered in September 2023, when we were named amongst the top universities in Europe, being placed 47th in the inaugural QS World Universities Rankings: Europe.

In June 2023, it was announced that the University of Exeter was Number 1 in the world for our work leading the progress towards delivering clean water and sanitation, in the THE Impact Rankings. The rankings also showed that the University is first in Europe in delivering progress towards climate action, and second in Europe for our work towards zero hunger. The THE Impact Rankings measure the progress of global institutions towards delivering the UN's Sustainable Development Goals (SDGs), and overall we rank 18th in the world for our work across all 17 SDGs.

In September 2023, we repeated our achievement of being named runner-up in

the Sunday Times University of the Year award. In addition to this, we were also shortlisted in the Times Higher Education University of the Year award, the results of which will be revealed in December 2023.

Leveraging Our Place in the World

Exeter is a proudly international university and works with partners and colleagues in every part of the globe. Our new Global Strategy 2030 seeks to transform our global presence by partnering with leading global universities for research, education, and knowledge exchange. We work closely with a range of NGOs, corporate partners, and higher education providers to develop mutually beneficial collaborations which contribute to the globe's most pressing challenges. To deliver our commitment to creating a greener, healthier, and fairer planet, Exeter has partnered with universities across the global south to support capacity-building and cultural outreach. In the past year, in India alone we have established a Joint Centre for Sustainable Transitions with IIT Madras in Chennai; our leading academics have worked with colleagues in Jadavpur University on decolonising the curriculum, and we have built new teaching and research collaborations across South Asia. Global Exeter is committed to supporting partnerships of this type as we collectively leverage our place in the world.



**The Times and
The Sunday
Times Good
University
Guide 2024 and
the Complete
University Guide
2024**



**Top 150 in the
Times Higher
Education (THE)
World University
Rankings²**

² 137th in the Times Higher Education (THE) World University Rankings 2023

How we performed: Finance and Physical Resources

Finance

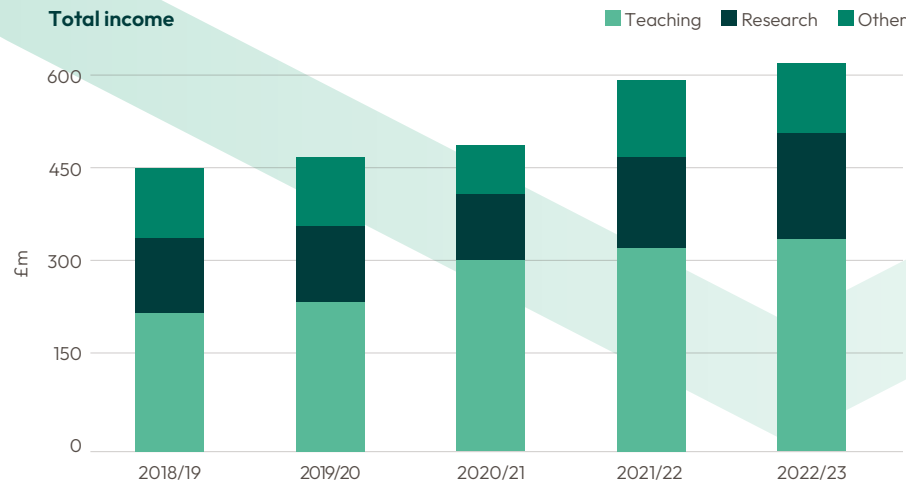
Total income has exceeded £600m for the first time in our history, growing by £45m or 8%, to £633m. Teaching income is responsible for 54% of our turnover and grew by 4% over the year, a slower gain than the previous 2 years as we sought to rebalance our Home Undergraduate intake after the exceptional COVID impacted years. The return to a historically more normal Home Undergraduate intake and the continued softening of the Post Graduate Home market saw Home fees contract by 4% while International fees grew by 19% to £136m.

Research grant and contract income increased by 11% to £119m. Other income consolidated the return to on-campus activity experienced in 2021/22 and remained steady at £84m. Staff costs grew by 7% linked to the growth in income and conscious decisions to revise the grading structure in the autumn as well as enacting an interim 2% rise linked to the 2023 pay-award agreement. The resultant cash generation (EBITDA) of £62.4m is £0.3m ahead of last year, while our operating surplus (EBIT) has dropped £1.8m to £29m or 5.8% of income.

The USS pension scheme deficit has reduced following deficit repayments made in the year as well as actuarial assumption changes, leading to an accounting credit for the year of £32m, in contrast to last year's charge of £128m based on statutory reporting. The scheme is undergoing another valuation, due for completion in spring 2024, which is anticipated to result in the deficit becoming a surplus, leading to an expected significant reduction in contribution rates for employers and employees. This will be reflected in the 2023/24 Annual Report.

While our finances are strong, they mask some material unplanned upsides, notably the financial consequences of our outstanding performance in the Research Excellence Framework (REF2021) which saw our Research England QR grant increase by £10.5m to £36m and the significant rise of Bank of England base rate which resulted in an additional £7m bank interest income, compared to plans. These enabled us to fully support a review of pay scales, among other measures, to support our staff through the continued impact of higher inflation and to invest in schemes to help our students throughout the year.

Within these results we also recognise the impairment of accommodation units on a site that has secured planning permission for a new build of high-quality and low-carbon purpose-built student accommodation known as "West Park". This development will deliver 1,700 purpose built en-suite rooms with associated study and social spaces.



Physical resources: our beautiful campuses and the built estate

Although the after effect of the pandemic is still present in our capital investment, having prompted a wider review of our capital and estates strategy in support of Strategy 2030, we have completed several key projects in support of our teaching and research activities, and staff and student experience. On top of our continued investment in our IT and Digital capabilities, projects of note completed in the past year are:

1. the Creative Quadrant and Skydeck, a versatile and dynamic space designed for creative learning prioritising the use of interactive, hands-on processes to foster interdisciplinary problem-solving, iterative innovation and (design) thinking through practical application.
2. the Devonshire House refurbishment, including lift for accessibility, and rebranding to create a high quality area for students to study and socialise in one open area.
3. learning spaces upgrades, our annual cycle of investing c£5m in upgrading and improving learning spaces on all our campuses including equipment, furniture and technology to support our staff and student experience.

4. Research Management system (RIME) – a new IT system came fully on stream in the year with significant improvements to the application, award and management of research contracts and grants.

5. CREWW Building, a new facility for the Centre for Resilience, Environment, Water and Waste on our Streatham campus. This is a research focused building and is the first purpose-built, transdisciplinary research centre in the water sector, focussed on the most pressing challenges that impact upon the provision of safe and resilient water and waste services in the UK and overseas. This building received a near £1m funding boost from Research England to achieve 'Net Zero in Operation' status from day one of operation and through the lifetime of the building.

6. Wellbeing Services facility on Streatham was started early in the summer and completed in October 2023 to provide much needed additional space for face-to-face wellbeing appointments and counselling sessions with students in a relaxed, welcoming and private environment.



CREWW Building



Creative Quadrant

Student Voice



2022-2023 has been another challenging year for students nationally, many of whom have been significantly impacted by the Cost of Living crisis and the ongoing industrial action, including the recent Marking and Assessment Boycott.

The University has listened to student feedback, introduced numerous schemes to provide financial assistance for students, and been incredibly receptive to the £2 meal campaign from initial proposal to delivery. We have collaborated with the University on a number of projects and campaigns, including the development of Bystander Intervention training (Exe-Change the Norm), the Reference Right campaign and my work on increasing hardship funds for students and setting up scholarships and bursaries supporting students in University accommodation.

In student representation at the University, our Insights team surveyed students at the start of each term to understand the changing priorities for our students this year and we have moved towards a more reactive model, ensuring that as Full-Time Elected Officers we are representing the important issues for students and helping them to love Exeter through 'Student Priorities'.

Unsurprisingly, the cost of living has been the main priority for our students this year, and a priority for elected Officers too. This year the Guild has:

- Paid over £60,000 in salaries to student staff.
- Scheduled weekly budgeting workshops.
- Given £2,650 to 53 students with our society participation fund.
- Allocated £17,000 worth of music lessons through our Music Tuition Scheme.
- Piloted a period product click-and-collect service.
- Set up a wellbeing cupboard, giving students free access to products and resources including condoms, period products and anti-drink spiking aids.
- Provided free fruit, snacks and hot drinks for students during exams.
- Hosted monthly Community and Guild Cafes with free breakfast and hot drinks.

These sit alongside the initiatives the University has put in place, listening to student feedback and working alongside myself and the other Officers.

In January, we launched our 'Love Exeter' Campaign aiming to encourage students to love their time at Exeter through finding their community, exploring the city and amplifying the student voice.



As VP Liberation, Emma de Saram supported students with the Shell Out campaign which has led to engagement with the University on revising their partnership principles.

We've also Supported Urban Angels in their campaigning and outreach to students, and I visited the Exeter Safe Space when it opened in December. We continue to focus on how we can improve night safety for our students.

As well as student representation and providing a place for social activity, the Guild have also provided independent advice and support through our Advice Service on a number of student issues including academic misconduct, appeals, accommodation and financial hardship. We supported 1,365 individual cases over the year and provided one-to-one tailored support for 299 (up from 84 last year) widening participation students. We have seen an increase in outreach work we've been doing particularly around finance advice and helping to manage cost of living concerns.

In addition, we were delighted to have received capital funding from the University to refurbish Devonshire House, ready for students to enjoy from September 2023. The refurbishment has allowed the space to be more accessible and flexible and move our Advice team into the building to create a unified hub of Guild services for students.

Lastly, I'm proud to have been able to be a part of the rebrand project which started with student consultation in November. Our value of putting students at the centre of everything we do at the Guild has very much shone through in this process. I believe that it will play a big part in engaging more of our students in the work that we do and will enhance the support that we can offer to make sure everyone can love Exeter.

I am really proud of the team that I have been a part of this year, and the work that we've done to ensure that all students had the best chance of thriving and feeling a sense of belonging whilst at Exeter. I'm sure the incoming team will be looking forward to 2023-2024 where the Guild plans to focus on being more fun, community-focused and innovative.



Lily Margaroli
Guild President 2022-23





THE FALMOUTH & EXETER STUDENTS' UNION

This year has been a rollercoaster but with student feedback and input the Students' Union (SU) has achieved some great wins.

As Exeter President, I led discussions at major strategic and high priority meetings for the University of Exeter on both an institutional and a local scale, inspired by my previous work as a subject chair and rep.

The Students' Union lobbied for and secured positive changes to Exeter's mitigation policy to support students who needed support with exams and assessments, and implemented an ongoing review to stay on top of topical academic-facing issues from year to year.

The SU saw lots of engagement from students around their University experience, in the context of both the climate crisis and the cost-of-living crisis. Both areas dominated conversations and work, led by the sabbatical officer team in collaborative approaches.

I highlighted the conversations held at the student-led People's Assemblies, hosting conversations about the student experience and the climate crisis, which have been discussed and implemented by Exeter leaders, such as the ethical partnerships proposal, which became a working group to change policy around the University's global partnerships.

I also lobbied for awareness of and engagement with the Divest Borders movement, a People and Planet campaign, and reported this directly to the Chief Financial Officer for the University. This is now being reviewed by external investors and will hopefully lead to continued development. Student Council voted to endorse the Fossil Free Careers campaign, allowing me to regularly raise the University's engagement with the fossil fuel industry in papers to both Senate and Council.

Sabbatical officer involvement in the University's Cost of Living working group led to increases in financial support for students and conversations about the use of financial hardship as a reason for mitigation.

We secured short-term financial hardship as a reason for evidence-based mitigation, along with allowances for getting evidence from a range of University staff or from workplace supervisors, a huge win to support students who were facing financial issues to be able to access mitigation.



Georgi Griškeviciene
SU President Exeter 2022-23



**SUSTAINABLE
DEVELOPMENT
GOALS**



We are ranked 18th (out of 1,591 institutions) in the world by the Times Higher Education Impact Rankings 2023³, which assess impact through the UN SDGs.

In 2023 we have been ranked as a leader in the following SDGs:

- 1st globally for Clean Water and Sanitation
- 1st in Europe for Climate Action
- 1st in the UK and 2nd in Europe for Zero Hunger
- 3rd in UK for No Poverty
- 4th in the UK for Affordable and Clean Energy

We are ranked 48th in the world by the QS Sustainability ranking 2023⁴.

www.exeter.ac.uk/about/sdgs/

Right, we report on our wider responsibilities through the lens of the United Nations 17 Sustainable Development Goals (UN SDGs).



Ranked 30th (17th) in the World⁵

- Strong area of research led by Policy @ Exeter research network⁵ and the Society and Cultures Institute
- 10% of our students receive financial aid linked to low income from University bursaries and scholarships, including Sanctuary Fee Waivers and Bursaries, Care Leavers Fee Waiver, Care Bursaries, Access to Exeter Bursaries, Achievement Scholarships, Green Futures Scholarships, Hardship Fund scheme, Global Excellence Scholarships, Africa Sustainable Futures Scholarship, Success for All Fund
- Our University wide 'Cost of Living' group, established in 2022, supports staff and students with additional financial support, including a £150 Winter Support Bursary to students of low household incomes and additional hardship funding. Further measures available to all staff and students include meal deals, subsidised hot food and the provision of free sanitary products



Ranked 11th (2022: 33rd) in the World⁵

- Expanded use of free BEE-STEWARD tool developed by researchers to assist farmers and policy makers to support sustainable bumblebee populations (Environmental and Sustainability Institute)
- Natural Environment Valuation Online tool to help explore, quantify and make prediction about the benefits that are derived from exiting and altered land use across England and Wales
- Campus outlets participate in the Too Good to Go app, reducing food waste
- Subsidised affordable meal deals offered in the University's catering outlets
- Food Bank collections
- Tracking Food Waste across the University
- MOOC Future Food: Sustainable Food Systems for the 21st Century⁶ (greater than c12k enrolments, 4.7/5 stars)
- Exeter Food research network



- Children's and young people's well-being research network
- Health Technologies @ Exeter research network
- The Exeter Centre for Excellence for Diabetes Research (EXCEED)
- The University of Exeter Dementia Research
- Exeter Health Analytics research network
- Investment in student well-being and support for all students including new purpose-built Student Well-being Centre at the heart of the campus opening autumn 2023
- Provision of mental health support and training for staff and their families
- Extensive sports activities and facilities for staff and students
- Curated well-being walks around our beautiful campuses
- Multiple MOOCs for physical and mental health

³ Times Higher Education Impact Rankings assess higher education institutions against all 17 SDGs. Ranked out of 1,705 higher education institutions from 115 countries/region.

Institutions overall rank is based on SDG17 (Partnerships for the Goals) and their best 3 SDGs

⁴ <https://www.topuniversities.com/university-rankings/sustainability-rankings/2023>

⁵ Details of our Research Networks and Institutes can be found here: <https://www.exeter.ac.uk/research>

⁶ Massive Open Online Courses (MOOCs) are online courses available for anyone to enrol: <https://www.futurelearn.com/partners/university-of-exeter>

4 QUALITY EDUCATION



- Education and student experience theme of Strategy 2030
- TEF 2023 Gold overall rating, with Gold for both Student Experience and Student Outcomes
- Top 10 in the Russell Group for student satisfaction in six out of seven themes in the NSS 2023
- Ranked 11th and 15th in the UK, in the Times and Sunday Times Good University Guide 2023 and The Complete University Guide 2024 respectively
- 85.4% of Graduates in highly skilled employment according to latest Graduate Outcomes Survey (conducted 15 months post-graduation)
- Exeter's Centre for Degree Apprenticeships developed and launched in October 2023, building on being rated good by Ofsted (July 2022)
- Flagship fair access scheme, Exeter Scholars, provided places for 1,000 eligible students. The scheme offers a progression pathway to studying at a higher education institute and 184 Exeter Scholars became undergraduates in September 2022
- Provider of 26 MOOCs on the FutureLearn platform

5 GENDER EQUALITY



- Equality, Diversity and Inclusion Policy, providing a working and learning environment that is free from unfair discrimination
- Vice-President and Deputy Vice-Chancellor (People and Culture) recruited to drive "Our People" theme of Strategy 2030
- Sector leading maternity and paternity leave provision
- Gender identity and transitioning policy
- University Owlets day care nursery and childcare vouchers for staff

6 CLEAN WATER AND SANITATION



Ranked 1st (2022: 8th) in the World³

- Building for the Centre for Resilience, Environment, Water and Waste, jointly funded with South West Water plc. and a grant from Research England
- The Centre for Water Systems celebrated its 25th anniversary of supporting, developing and operationalising sustainable water management
- Target to reduce water consumption by 50% by 2030 including rainwater harvesting, water consumption tracking, sustainable lab practises and ultra-low water use toilets
- BREEAM (Building Research Establishment's Environmental Assessment Method) implementation for all developments
- Membership of projects and initiatives like aqua3S and ULTIMATE

7 AFFORDABLE AND CLEAN ENERGY



Ranked 62nd (2022: 39th) in the World³

- Research into Microbial Biofuels with Shell plc
- Established new Centre for Future Clean Mobility in 2022
- 1.25 MW capability from university solar photo-voltaic panels with 1 MW coming on-stream in 2022/23 and planning permission granted for further production
- Green Futures Solutions business support initiative to help organisation in the race to net zero, make smarter use of natural resource and seize opportunities for green growth
- We are home to the UK's top five most influential climate scientists – all in the top 21 in the world (Reuters Hot List) and over 1,500 research and education specialists working on a green future.
- MOOCs in Technology Metals for a Green Future, Transforming Energy Systems

8 DECENT WORK AND ECONOMIC GROWTH



- Living Wage employer, since 2013
- Equality, Diversity, and Inclusion Policy
- Dignity and Respect Policy
- Publish reports on the Gender Pay gap
- Fair Employment for All Policy
- Modern Slavery Statements published on website
- Exeter Immersive – new research centre discovering new ways of living, working and learning
- MOOC Building Your Career in Tomorrow's Workplace

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Exeter Innovation – a division dedicated to promoting collaborative research and development with business, improve high-skill training and focus on regional innovation and engagement
- Partner in the South West Institute of Technology, providing world-class high-skilled training and education for students and employers
- Largest provider of degree apprenticeships in the Russell Group, targeting the skills gap of business and industry
- Research networks such as Green Futures Solutions and Exeter Immersive

10 REDUCED INEQUALITIES



Ranked 36th (2022: 13th) in the World⁷

- A diverse community is an essential part of our core values. We are committed to a policy of equality of opportunity and aim to provide a working, learning and social environment that is free from discrimination.
- Routes @ Exeter: Migration, Mobility and Displacement academic network
- Access and Participation Plan to improve access and retention of students from under-represented groups.
- Stonewall Gold Employer (2022)
- Race Equality Charter bronze award (2022)
- University level Athena Swan Silver Award
- All our STEM⁷ departments hold Athena Swan Awards at silver or bronze level
- Disability Confident employer
- Senior Vice-President and Provost Commission for Innovation in EDI⁸
- MOOC Understanding Gender Inequality

⁷ Science, Technology, Engineering and Mathematics

⁸ Equality, Diversity and Inclusion

11 SUSTAINABLE CITIES AND COMMUNITIES



- Green Flag Award 2022-23 for Streatham and St Luke's campuses
- New thriving community looking at research within an urban context
- The Living Systems Institute, Global Systems Institute and Exeter Food Research Network
- Microbes and Society @ Exeter research network
- MOOC Future Food: Sustainable Food Systems for the 21st Century

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Ranked 12th (2022: 40th) in the World⁵

- Exeter Centre for the Circular Economy researching into solutions, bringing together leaders in industry, developing projects with corporate partners
- Partnership with Net Positives to gain a comprehensive understanding of our supply chain's journey to achieve carbon Net Zero
- Sustainable Food Policy and Sustainable Bought Goods and Services Policy focusing on buying locally and supporting Fairtrade and UK producers
- Plastic Strategy to reduce single use plastics across campuses
- Waste Management Strategy
- MOOC Grand Challenges: Food for Thought with The Eden Project

13 CLIMATE ACTION



Ranked 8th (2022: 24th) in the World⁵

- Global Systems Institute and Environmental and Sustainability Institute, researching into global climate issues on a multi-disciplinary basis
- Joint centre for environment intelligence
- Our open access tool, ReefBudget, has been adopted by multiple national conservation and management organisations to enable coral reef conservation
- University declared an environment and climate emergency in 2020, updating its policy statement in 2022
- Targeting to be carbon neutral (net zero) for scope 1,2 and 3 emissions by 2030
- Expansion of Sustainability team throughout the year
- Initial implementation of the University De-carbonisation Plan and Net Zero Plan underway
- Published Annual Report on sustainability achievements and progress against plan
- Establishing Civic University agreements to deliver a Net Zero Exeter
- MOOCs Tipping Points: Climate Change and Society, Climate Change: Solutions, Climate Change: The Science

14 LIFE BELOW WATER



Ranked 19th in the World⁵

- As an organisation we are renowned for world-leading research in the fields of plastics additives and marine plastic pollution and microplastics. Our research led to the ban of microbeads in cosmetics in the UK
- Exeter Marine interdisciplinary research collaborations, researching into ecology and conservation, ecotoxicology and pollution, fisheries and aquaculture, ocean health and wellbeing, ocean systems and technology, evolution and behaviour
- Multi-award winning Marine-i, a 6 year £13.4m collaboration, drew to a close in 2023 having brought together a collaborative partnership including University of Exeter, University of Plymouth, Offshore Renewable Energy Catapult, Cornwall College (Falmouth Marine School), Cornwall Marine Network and Cornwall Development Company delivering a sustainable and innovative marine technology sector where businesses thrive and succeed in global markets
- NERC⁹ Centre for Doctoral Training in Freshwater Bioscience and Sustainability
- Queens Anniversary prize for world-leading plastics research team

15 LIFE ON LAND



Ranked 16th (2022: 20th) in the World³

- Our Biodiversity Strategy represents a continuing commitment, by the University, to preserve existing important habitats and, where the opportunity arises, create new sustainable habitats. Our Streatham Campus is a registered botanical garden with important landscape and habitat value
- Collaborative South West Partnership form Environment and Economic Prosperity (SWEEP), researching into natural capital assessment tools, natural environment evaluation tools, policy for pollinators
- Land, Environment, Economics and Policy Institute (LEEP), helping government, business and communities develop knowledge and understanding of how land and the environment is managed and used.
- Exeter Biodiversity and People research network – renewing biodiversity through human networks
- Environmental Intelligence @ Exeter research network
- MOOC Valuing Nature: Should We Put a Price on Ecosystems

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Ranked 35th in the World³

- Justice and Violence Studies @ Exeter research network, to better understand how and why people are subject to violence and injustice and the most effective methods for combatting these
- We're working with the government on national policy on the active promotion of freedom of speech within the law. We're committed to ensuring that our students and staff can discuss and debate ideas freely, and to this end, members of the Guild and SU student unions are represented on the university council
- Joint Freedom of Speech Statement between the University and our two student unions
- Code of Conduct for staff
- Civic Agreements with Exeter, Cornwall and Devon and Torbay

17 PARTNERSHIPS FOR THE GOALS



Ranked 27th (2022: 22th) in the World³

- We have forged partnerships across government, NGOs and charities to protect our natural world. Our marine research has successfully helped to create Marine Protected Areas (MPAs) across the globe including the Ivory Coast's first MPA. Our partners include the MET Office and the National Trust
- An active member of the Venice International University
- One of 22 partners of the HABITABLE project, funded by Horizon 2020, to tackle climate change, achieve the UN's SDGs and boost the EU's competitiveness and growth
- Partnership with Queensland University with the QUEX Institute for Global excellence
- Host of Acqua-360 conference: water for all
- Future17 module, in collaboration with QS and universities in four continents in Hong Kong, Sao Paulo, Stellenbosch and Auckland, open to all undergraduates and postgraduates as an online module, focusing on real-world sustainable development challenges.
- Wellcome Centre WHO Participating centre
- Civic Agreements with Exeter, Cornwall and Devon and Torbay

³ Times Higher Education Impact Rankings assess higher education institutions against all 17 SDGs. Ranked out of 1,705 higher education institutions from 115 countries/region.

Institutions overall rank is based on SDG17 (Partnerships for the Goals) and their best 3 SDGs

⁹ Natural Environment Research Council

Greenhouse Gas Emissions

Our Strategy 2030 sets out our vision to lead meaningful action against the climate emergency and ecological crisis. In 2019 the University declared an environment and climate emergency, acknowledging the need to mitigate the University's own contribution to the acceleration of climate change, and also to show leadership.

Since 2019 we have seen many changes to the way the University operates. Some of these changes, for example a significant reduction in travel during the COVID-19 pandemic, brought significant reductions in greenhouse gas emissions. As some behaviours have returned towards pre-pandemic patterns, we have for the first time seen the University's reported greenhouse gas emissions rise to higher levels than our baseline year of 2018/19.

The University remains committed to achieving Net Zero across Scope 1, Scope 2 and Scope 3 emissions by 2030 and, despite this rise in overall greenhouse gas emissions, the data shows the emissions intensity is falling across key areas such as procurement. Our actions are making a difference.

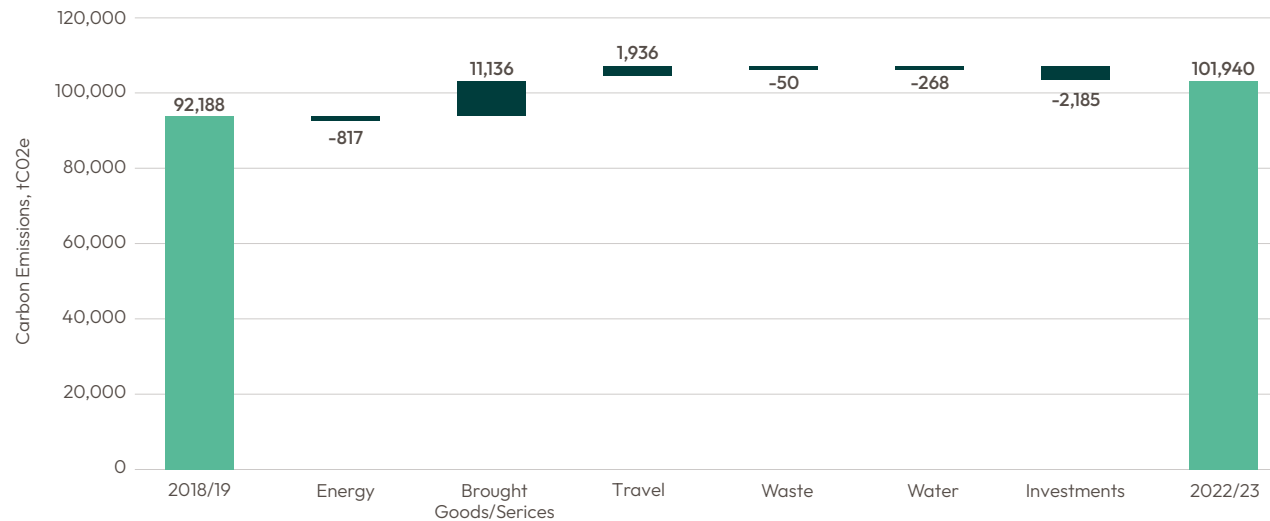
The University has developed distinct strategies to address Scope 1 and 2 emissions, and Scope 3 emissions. Our Infrastructure Decarbonisation Masterplan focuses on efforts to decarbonise our built estate, tackling mainly Scope 1 and 2 emissions through fabric improvements and migration away from fossil fuels for conditioning our spaces. The Carbon Net Zero Delivery Plan sits alongside this but focuses more on the cultural and behavioural changes required to reduce our indirect Scope 3 emissions, and our efforts to protect the local environment through biodiversity enhancement and improvements for nature.

Environmental data and reporting are critical to manage the associated challenges, helping us to determine where resource should be focussed, demonstrate performance to stakeholders and learn lessons for continued improvement in our approach to carbon reduction and environmental protection. Our greenhouse gas (GHG) emissions are reported via a sophisticated data warehouse that is now influencing both our Infrastructure

Decarbonisation Masterplan and our Carbon Net Zero Delivery Plan. This will soon also inform the Biodiversity Management Plan currently in development.

The graph below shows the movement from our baseline year of 2018/19 to our reported position for 2022/23 through the rise and fall in emissions grouped by category.

Emissions variation since 2018/19 baseline year, by category



The University's greenhouse gas emissions have risen by 11% since the 2018/19 baseline year. Much of this is due to reported emissions associated with our bought goods and services. This Scope 3 category makes up 56% of our total footprint and has seen a 24% increase since baseline year. It is important to note that this category is calculated via a spend-based methodology, where emissions intensity values are applied to our spend data to estimate the likely emissions associated with our activity. Whilst our emissions have risen by 24%, our inclusive expenditure rose by 33% across the same period, Emissions have risen to a lesser extent than our expenditure because our emissions intensity, tCO₂e/£, has reduced by 7%. This is a sign that we are operating more sustainably than we were during our baseline year, and reflects efforts to procure more responsibly, and it also highlights why efforts to decarbonise our procurement remains a priority for the University of Exeter.

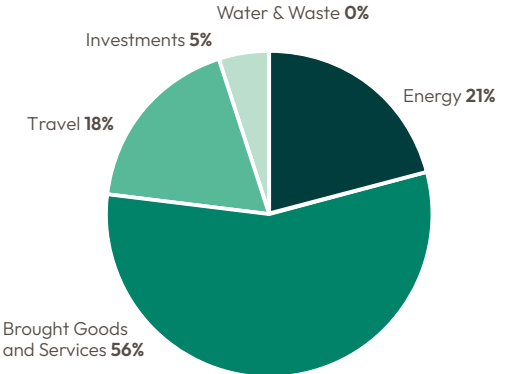
Despite significant reductions in travel activity and emissions over the last few years, we have seen emissions associated with travel increase to pre-pandemic levels, rising

by 12% since our baseline year. Emissions intensity associated with staff commuting have reduced and increases in business and research travel emissions will be reviewed to identify opportunities to reduce emissions in future years.

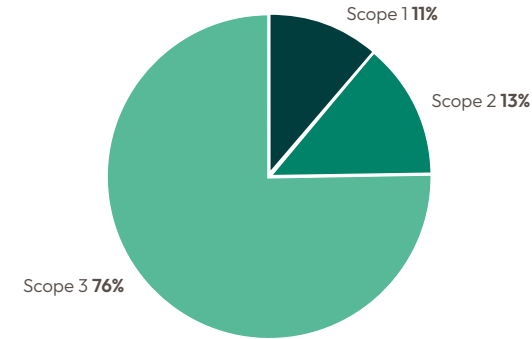
The University uses sustainability as a metric to determine investment activity across its endowment portfolio, and the 32% reduction in emissions within this category clearly reflects the positive impact this has had on our Scope 3 greenhouse gas emissions.

Emissions from energy have been reduced by 3.6%, despite a 2.7% increase in energy consumption. This is due to efforts to move away from fossil fuels for building conditioning, and significant efforts to increase renewable generation, which has increased by 271% since baseline year, to 576,359 kWh generated.

2022/23 Greenhouse gas emissions profile, by category



2022/23 Greenhouse gas emissions profile, by category



Ethical Investments

The University's Endowment has a value of £49m, supporting numerous activities across the University, arising from the generous support of alumni and supporters over many years. These investments are managed in line with our Investment Policy, which places at its heart a best-in-class approach to environmental, social and governance (ESG) matters.

Our fund managers were appointed on their investment track record but also on their approach to ESG and engagement to drive up the ESG characteristics of the companies held in our portfolio. Our fund managers do not adopt a simple ESG screening methodology but take a more sophisticated

approach to ensure the portfolio genuinely and authentically reflects our ESG values.

The Investment Policy deliberately minimises the number of explicit exclusions, recognising the limitations of exclusions as blunt instruments to change, and boundary challenges between production, distribution and retailing. The policy explicitly excludes investments in entities whose main business is the production of tobacco and fossil fuel extraction. Oversight of both investment and ESG activities of our fund managers is exercised by an Investment and Endowment Group, which includes representation from both our Student Unions, as well as co-opted expertise of alumni.



Risk



Our Commitment to Risk Management

The University of Exeter is a vibrant and engaging environment where we use the power of our education and research to create a sustainable, healthy, and socially just future. During our endeavours, we encounter numerous risks. We recognise in the pursuit of our objectives and ambitions that we may need to take risks in order to meet our strategic aims. Subject to robust risk assessment, we will manage these risks effectively to ensure that our decisions fulfil our duties to:

- Act ethically and responsibly in compliance with the law and charitable and royal status;
- Encourage critical enquiry, debate and freedom of expression within the law;
- Uphold the University values;
- Maintain the excellent reputation of the University.

How we manage risk

The University has a Risk Management Policy and supporting processes that set out how we manage risk across the institution. This policy was updated in 2022/3.

- A Corporate Risk Register is used for identifying and managing risks that are more strategic in nature and therefore would usually have a higher impact across multiple divisions and departments if they were to occur. These risks may threaten the achievement of strategic aims.
- The Divisional and Faculty risk registers form the Operational Risk Register, which links more directly with day-to-day activities.

Risk Registers are scrutinized to ensure proportionality and that there is an accurate record of risks within the organisation. The Compliance Committee reviews the Risk Registers termly and reports its findings to the University Executive Board. Audit and Risk Committee receive a full report each term and in turn report their findings on the effectiveness of risk management at the university to Council.

The following seven risks were the key (very high or high rated) corporate risks identified on the corporate risk register as at October 2023. As part of the control framework, risk mitigations are in place for these risks and additional actions have been agreed in order to reduce risk further.

VERY HIGH - PG Taught International student numbers

HIGH - Information Security

HIGH - Data breach or incident

HIGH - Assumed financial margins across institution

HIGH - Freedom of speech balanced with duty of care

HIGH - Delivery of net zero carbon commitment*

HIGH - Delivery of net gain biodiversity commitment*

*environmental risks are currently under enhanced review



Creating the Possible

Financial Statements
to 31 July 2023



University
of Exeter

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Management Team, Council Members and Advisors

Chancellor

Sir Michael Barber

Council Members

Members served during the year ended 31 July 2023

Officers

Quentin Woodley, *Pro-Chancellor and Chair of Council*

Sarah Buck OBE, *Pro-Chancellor and Senior*

Independent Governor (appointment ended 31 July 2023)

Sir Richard Atkins, *Pro-Chancellor and Deputy Chair*

Professor Lisa Roberts, *President and Vice-Chancellor*

Professor Janice Kay CBE, *Provost and Senior Deputy Vice-Chancellor (appointment ended 31 July 2023)*

Professor Mark Goodwin, *Deputy Vice-Chancellor (appointment ended 31 December 2022)*

Professor Tim Quine, *Vice-President and Deputy Vice-Chancellor (Education and Student Experience) (appointed 1 January 2023)*

New Members appointed from 1 August 2023

Sally Cabrini, *Pro-Chancellor and Senior Independent Governor (appointed 1 August 2023)*

Professor Dan Charman, *Senior Vice-President and Provost (appointed 1 August 2023)*

Members appointed by Council

Members that served during the year ended 31 July 2023

Jo Binding *(appointment ended 31 July 2023)*

Nicholas Cheffings

Graham Cole CBE *(appointment ended 31 July 2023)*

Lounette Dyer *(appointment ended 31 July 2023)*

Andrew Greenway

Salam Katbi

Amoetsoe Mkwena *(appointment ended 31 July 2023)*

Alison Reed

Malcolm Skingle

Glenn Woodcock

New Members appointed from 1 August 2023

Damaris Anderson-Supple *(appointed 1 August 2023)*

Karime Hassan *(appointed 1 August 2023)*

Sarah Matthews-DeMers *(appointed 1 August 2023)*

Tim Weller *(appointed 1 August 2023)*

Members appointed by the Senate

Members that served during the year ended 31 July 2023

Professor Barrie Cooper

Professor Alex Gerbasi *(appointment ended 31 July 2023)*

Professor Sue Prince

New Members appointed from 1 August 2023

Professor Karen Knapp *(appointed 1 August 2023)*

Member of Staff other than Academic Staff

Shades Chaudhary

Student Members

Members that served during the year ended 31 July 2023

Lily Margaroli *(appointment ended 31 July 2023)*

Georgina Griškevičienė *(appointment ended 31 July 2023)*

New Members appointed from 1 August 2023

Connie Chilcott *(President Exeter, Falmouth and Exeter Student's Union) (appointed 1 August 2023)*

Alex Stanley *(Executive Officer, Exeter Student's Guild), deputising for Emma de Saram (Guild President, Exeter Student's Guild) (appointed 1 August 2023)*

University Executive Board

Members as at 12 December 2023

President and Vice-Chancellor

Professor Lisa Roberts, *BSc (Hons) PhD*

Senior Vice-President and Provost

Professor Dan Charman, *BSc PhD*

Vice-Presidents and Deputy Vice-Chancellors

Professor Richard Follett, *FRHistS, Global Engagement*

Professor Tim Quine, *BSc PhD, Education and Student Experience*

Professor Martin Siegert, *FRSE, Cornwall*

Professor Krasimira Tsaneva-Atanasova, *FIMA, Research and Impact*

Stuart Brocklehurst, *FRSA FBCS CCMi CIP CMgr MA, Business Engagement and Innovation*

Pro-Vice-Chancellor and Executive Deans

Professor Alex Gerbasi, *BA, MA, PhD*

Professor Sallie Lamb, *FMedSci*

Professor Gareth Stansfield, *BA, MA, PhD*

Senior Vice-President and Registrar & Secretary

Mike Shore-Nye, *BA (Hons)*

Executive Divisional Director of Human Resources

Imelda Rogers, *FCIPD*

Executive Divisional Director of External Engagement and Global

Alicia O'Grady, *LLB MA*

Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services

Dave Stacey, *MA (Cantab) FCA FRSA*

Deputy Registrar and Executive Divisional Director of Education and Academic Services

Linda Peka, *BSc (Hons) FCPFA*

Bankers

National Westminster Bank PLC
18 St Thomas Centre
Cowick Street
Exeter
EX4 1DE

Barclays Bank PLC
3 Bedford Street
Exeter
EX11LX

Investment Managers

Rathbones Greenbank Investments
8 Finsbury Circus
London
EC2M 7AZ

External Auditor

KPMG LLP, (UK)
66 Queen Square
Bristol
BS1 4BE

Internal Auditor

PriceWaterhouse Cooper LLP
1 Embankment Place
London
WC2N 6RH

Management Team, Council Members and Advisors

Members of the Council



Top Row (L-R): Quentin Woodley, Sir Richard Atkins, Sally Cabrini, Professor Lisa Roberts, Professor Dan Charman, Professor Tim Quine, Damaris Anderson-Supple

Middle Row (L-R): Nicholas Cheffings, Andrew Greenway, Karime Hassan, Salam Katbi, Sarah Matthews-DeMers, Alison Reed, Professor Malcolm Skingle

Bottom Row (L-R): Tim Weller, Glenn Woodcock, Professor Barrie Cooper, Professor Karen Knapp, Professor Sue Prince, Shades Chaudhary, Alex Stanley, Connie Chilcott, Mike Shore-Nye

Financial Review for the year ended 31 July 2023

HIGHLIGHTS

Performance

Total income: **£633m** (£587m), up 8%
 Cash generation (EBITDA) **£62m** (£62m)
 Operating surplus (EBIT): **£29m** (£31m)
 Staff cost ratio: **52%** (52%)

Investment

Capital expenditure: **£36m** (£23m)
 Capital grants: **£10m** (£12m)

Liquidity and Debt

Total debt: **£210m** (£210m)
 Total cash and cash deposits: **£186m** (£177m)
 Net debt: **£24m** (£33m)

Financial Strength

Net current assets ratio: **1.6** (1.6)
 Net assets: **£450m** (£432m), up 4%

Scope of the Financial Statements

These financial statements cover the University of Exeter, its subsidiary undertakings and joint ventures. They have been prepared in accordance with UK GAAP, in compliance with the *Financial Reporting Standard 102*, issued by the UK Financial Reporting Council, as interpreted by the *Statement of Recommended Practice: Accounting for further and higher education*, issued by Universities UK. The financial statements are also compliant with the *Accounts Direction*, stipulating specific additional disclosures, issued by our regulator, the Office for Students.

Performance

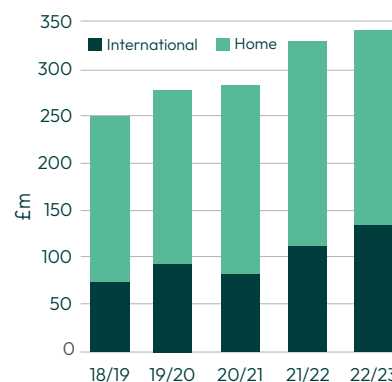
2022/23 has proven to be another strong year reflected by an EBITDA of £62m and cash balances at the end of the year of £186m.

We started this year with the future firmly in focus, with a series of investments in projects and decisions aligned with our Strategy 2030, leading to a budgeted EBITDA of £54m. The knock-on effects of the global pandemic were still being felt along with the continued pressure from persistently high inflation and the potential national and local industrial actions by trade unions.

Early in the year we received the outcome of the Research England Quality Related grant allocation following our outstanding performance in the Research Excellence Framework (REF2021). This saw our award increased by £10.5m to £36m, the largest growth in the Russell Group. This, along with other benefits, enabled us to review pay scales and grades to tackle some issues raised by our trade unions, and support the interim 2% pay rise, linked to the 2023 pay-award agreement.

The USS pension scheme continues to have a distorting effect on these results with accounting adjustments arising from the unwinding of the deficit recognition in 2021/22, following the completion of the 2020 valuation of the scheme in October 2021. Sustained increases in the interest rates and

Tuition Fee Income

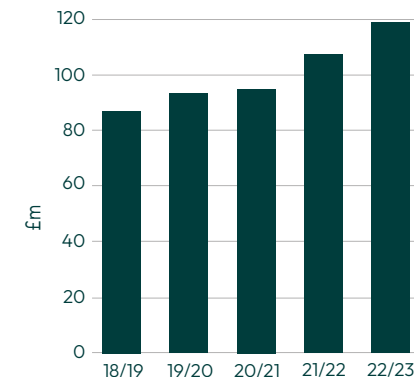


updates to actuarial assumptions resulted in an accounting credit for the year of £32m, contrasting with the £128m accounting charge recognised in 2021/22. Further detail on this is covered below under Pensions.

Total income of £633m increased by 8% over the year, driven by international tuition fee income (+19%) and research grants and contracts income (+11%), both of which are key strategic activities, consolidating growth at similar levels achieved in the prior year.

Student entrants were lower than the prior year, materially so for Home Undergraduates as we planned a return to more normal levels of Home entry, following two extraordinary years affected by the reaction to the Covid pandemic's impact on exams. Just under 5,000 Home Undergraduate students joined us in 2022/23, compared with over 6,600 in 2021/22 and a similar number in 2020/21. However, the roll through effect of these two previous years continued, resulting in 2022/23 total enrolments being the highest ever. This expansion of students put an enormous toll on our staff and infrastructure, and it is testament to the diligence and resilience of our outstanding colleagues that they rose to the challenge and delivered another outstanding year of

Research Grants Income



teaching and experience for our students, exemplified by the award of a Double Gold TEF ranking⁹.

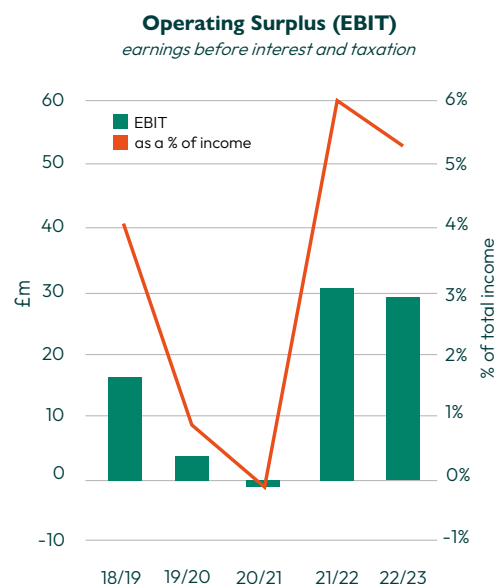
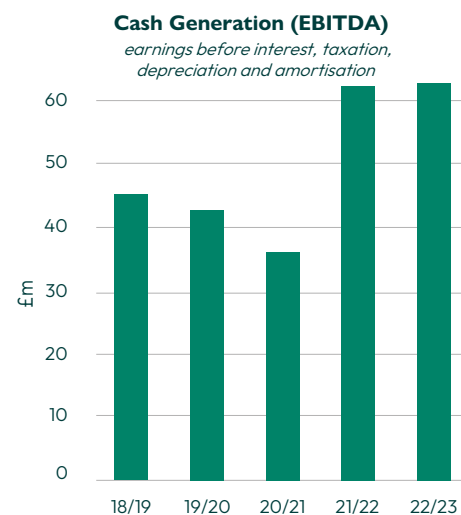
International tuition fee income of £136m delivered a growth of 19% year on year and accounts for 40% of total tuition fee income and 21% of total University income. The Post Graduate Taught Home (PGT Home) students market, however, saw a decline in numbers, which, combined with another tough recruitment round for the Post Graduate Certificate in Education students (PGCE), saw a reduction in home tuition fee income of 4%. PGT Home is a particularly complex market affected by employability and the continued rise of the cost of living, both dampening the demand for these programmes.

Research grant and contract income was expected to grow as we started the year on the back of our best year of awards ever, however the achievement of £118.7m, 11% growth on 2021/22, has exceeded expectations. We expect this strong trajectory to continue with an award value of £138m in-year demonstrating another successful year for our academics.

Comparative data for the prior year 2022/23 shown in brackets throughout this review

⁹ The Teaching Excellence Framework (TEF) encourages and recognises high-quality teaching and student outcomes in higher education. The awards are rated as Gold, Silver, Bronze and Provisional. TEF measures excellence in three areas: teaching quality, learning environment, and the educational and professional outcomes achieved by students.

Financial Review for the year ended 31 July 2023



Campus activity, having returned to more normal levels in 2021/22, remained strong with trading and catering outlets seeing an increase in footfall and income offset by a shortfall in accommodation income as occupancy of older, catered halls have declined. These halls are within an area which will be re-developed and known as "West Park". The project will deliver up to 1,700 purpose built en-suite rooms with associated study and social spaces built to the highest energy and quality standards. This development has secured planning permission and we are committed to progressing. As such, assets within scope have been impaired, leading to the charge of £21.4m shown in the EBITDA reconciliation below.

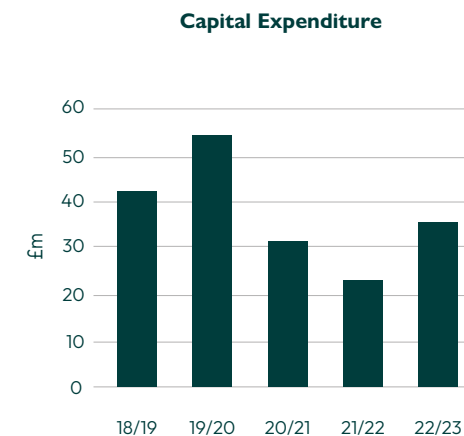
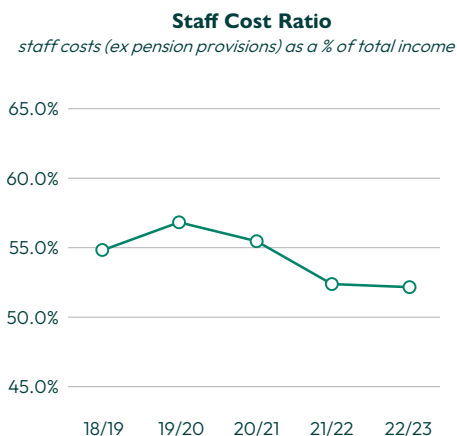
This year saw the formation of the new Faculties and Professional Services Divisions aligned with delivering our Strategy 2030. Faculties and Divisions spent the year coming together to start planning their contribution to achieving our aims, a part of which is a long-term target operating surplus of 3% of income. In 2022/23 we are reporting an operating surplus of £29m, 4.6% of total income.

The staff cost ratio, total staff costs as a % of total income, is an important indicator of efficiency (productivity) and risk (virtually all our income streams are variable and earned in the market each year whereas most of our staff costs are fixed). Our financial strategy uses the staff-cost ratio as a risk indicator, setting a ceiling, rather than a target, of the upper-quartile of the Russell Group. Following two years of sharp reduction as a consequence of not being able to adequately staff-up to appropriate levels for the Home Undergraduate bulge, as well as the continued recruitment and retention challenges in some professions and job-roles, the ratio has held steady at 52% this year as staff recruitment has

Reconciliation of EBITDA to EBIT to Deficit for the Year*

	2022/23 £'000	2021/22 £'000
Cash Generation (EBITDA)	62,442	62,094
less depreciation	(60,160)	(56,685)
add student rental income from service concessions	26,725	25,390
Operating Surplus (EBIT)	29,007	30,799
less interest payable on debt	(12,441)	(6,331)
less pension accounting credits/(charges)	26,057	(131,817)
less impairment	(21,411)	-
add/(less) FX Plus Ltd share of surplus/(deficit)	(374)	78
add capital grants received	9,490	11,741
add unrealised (loss)/gains on investments	(3,016)	(2,570)
add surplus on endowments and donations	3,027	1,742
less exceptional one-off (charges)/receipts:	(4,025)	(3,688)
Surplus/(deficit) for the year (FRS102 basis)	26,314	(100,046)

*The methodology for the calculation has been updated to more accurately reflect our underlying operating performance. The prior year comparatives have been restated for comparability.



Financial Review for the year ended 31 July 2023

improved as well our ability to invest in the pay-scale review and interim pay-award. However, since the Government and opposition's indications are that there will be no increase in the home undergraduate fee of £9,250 for many years to come and persistent higher inflation levels, continual pressure on pay-awards will remain, albeit offset by an expected reduction in USS contribution rates. We do expect a return to an upward trend in this ratio which will require continued close monitoring and modelling to manage any corrective action that might be required.

Investment

2022/23 was a year of consolidation for Faculties and Professional Services as they prepare their response to Strategy 2030 and what that means for capital investment. As such, major new investments have not been initiated as yet and although capital expenditure rose to £35.4m, an increase of £13m compared to 2021/22, this remains below that required to sustain the University's ambition and needs.

Net Assets grew by £19m over the year to £451m. Within this, our share of the USS pension liability stands at £179m as at 31 July 2023. Our tangible fixed assets are carried on the balance sheet at deemed cost, which is likely to materially understate their value.

Liquidity and Debt

The cash operating surplus, EBITDA, of £63m combined with a modest level of capital investment result in cash balances increasing by £9m over the year to stand at £186m at the balance sheet date, representing 124 liquidity days. In addition, the University holds a low-cost £50m revolving credit facility which was not utilised during the year.

Gross long-term debt remain at £210m and we were compliant with all lending and USS pension debt monitoring covenants.

At the year end, net debt had reduced by £9m to £24m, driven by improvement in the cash position.

Pensions

Pension liabilities total £186m (£211m in 2021/22) arose from two pension schemes.

The Universities Superannuation Scheme (USS) is currently being revalued as at 31 March 2023 (2023 valuation). The Scheme is reporting a significant improvement in funding levels moving from £14.1bn deficit at the March 2020 Valuation to a circa £7bn surplus in the 2023 Valuation. Since the 2023 valuation is not complete, these Financial Statements recognise the in-year movements against the £211m deficit as at 31 July 2022. The deficit has reduced by £32m, being a combination of deficit repayments and assumption movements. The 2023 Valuation is expected to result in a material accounting credit being recognised in 2023/24 and lower contribution rates for both employees and employers. The USS Trustee has invited UUK, as the representative of employers, to comment on its proposed technical provisions, the broader strategy of the scheme and a proposal to restore benefits to pre-April 2022 levels to which we have contributed. The University is also supporting the Members' consultation.

The table below illustrates how volatile USS accounting is with very material annual swings and roundabouts to its annual accounting charges or credits, and how this in turn distorts the understanding of underlying University financial performance.

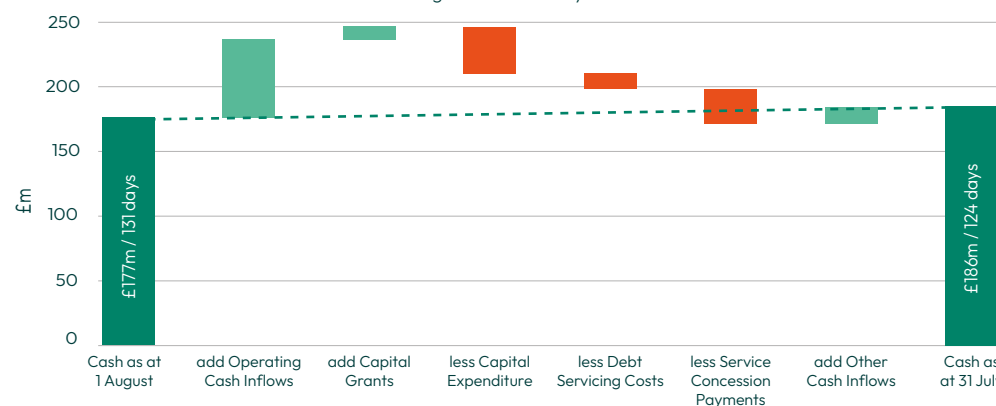
The Exeter Retirement Benefit Scheme (ERBS) is the other pension scheme which started the year with a £2m scheme surplus and ended the year with a £7.1m deficit, measured on an FRS102 basis.

The reality, however, is that at the scheme's last valuation, the actuarial deficit was £25.1m, which the University is funding each year by making annual deficit repayments. The cost of servicing this debt is recognised in the financial statements, even though no liability is formally recognised on the balance sheet.

This scheme is due to be revalued as at March 2024, however this will not be completed in time for the next annual report.

Cash balances and Cash Flows 2022/23

1 August 2022 to 31 July 2023



Impact of USS Accounting	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
University Surplus/(Deficit) for the year reported on an FRS102 basis	(71,728)	67,089	(5,160)	(100,046)	26,314
Deduct the USS accounting charge/(credits)	87,681	(64,538)	17,865	128,191	(31,585)
University Surplus/(Deficit) for the year excluding USS accounting charges/(credits)	15,953	2,551	12,705	28,145	(5,271)

Financial Review for the year ended 31 July 2023

Endowments

The year to 31 July 2023 was characterised by significant volatility across all asset classes and negative investor sentiment due to a suite of macroeconomic risks impacting global growth.

The second half of 2022 was a difficult environment for long term, sustainable 'growth' stocks, such as those in the University's portfolio. Sectors which performed well continued to be aerospace and defence, tobacco, oil and gas and mining on the back

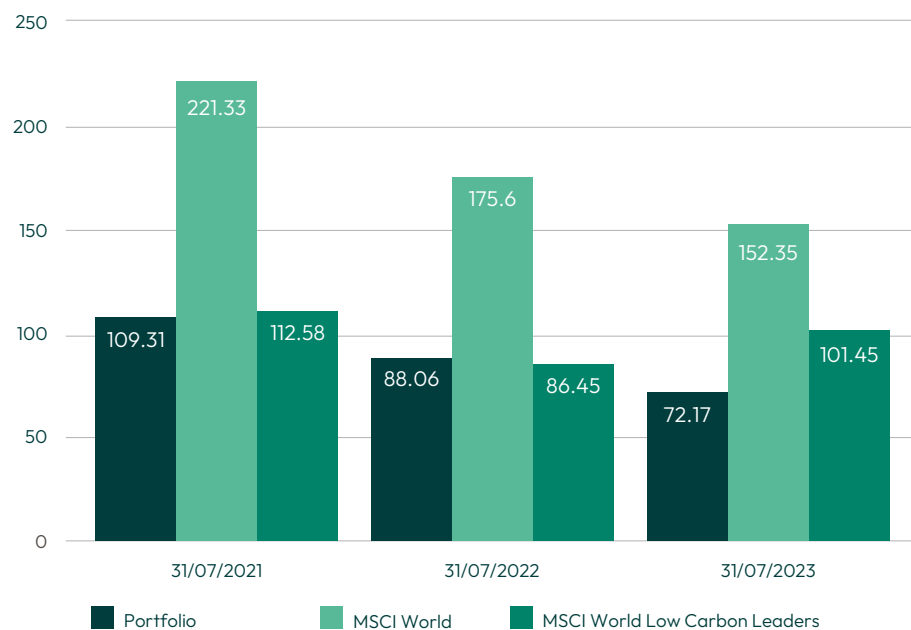
of the war in Ukraine and slowing global economy growth, as had been the case in the first half of 2022. This negatively impacted the returns on more sustainable portfolios that have no or very limited exposure to these sectors, such as the University's investments.

The mini-budget in September/October 2022 led to record daily moves in bonds, which again added to volatility but provided an opportunity to increase the portfolio's exposure here.

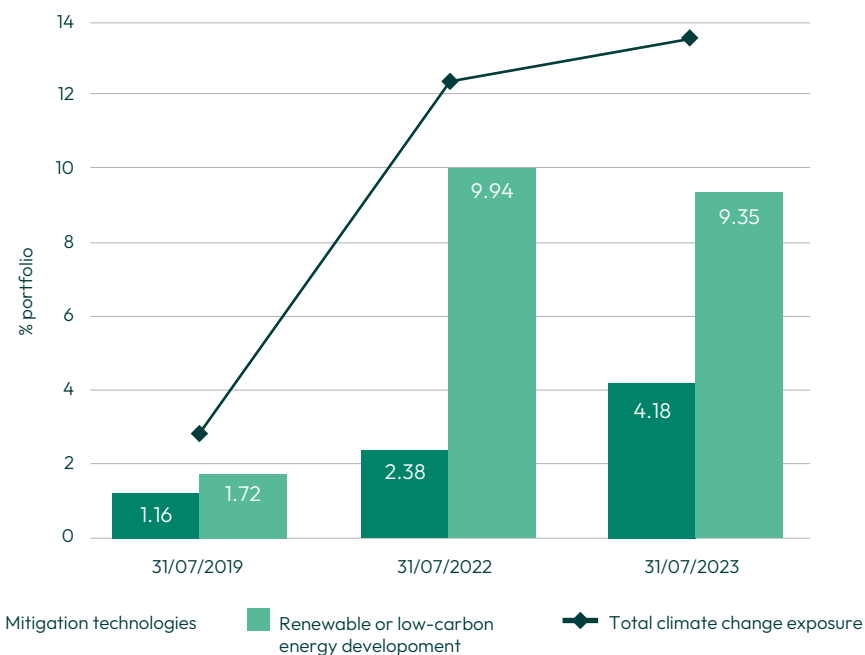
Much of 2023 to date saw persistently high inflation data in the US, Europe and the UK, with interest rates continuing to rise at their fastest pace and to the highest rate for decades. There was also a mini-banking crisis in March 2023 where investors feared a 2008-style systemic failure of the financial system, although these fears were eased by regulator intervention in the US.

The endowment portfolio continues to be invested in high quality companies, with strong balance sheets and pricing power to pass on inflation. They have continued to deliver reasonable results despite the challenging macroeconomic environment. The portfolio is positioned to deliver returns over the long term and is invested in line with the University's values and investment policy.

**University of Exeter Endowment Fund
Weighted Average Carbon Intensity**



**Exposure of the portfolio to contributing
towards delivering climate solutions**



Financial Review for the year ended 31 July 2023

Future Outlook

Student recruitment for 2023/24 is a complex picture, with some challenges in key markets resulting in a shortfall against target, however mitigations are in place to address this.

Research activity remains strong and the awards over the past year contribute to a very strong foundation for achieving our research income target for the year as well as securing further awards in the future. The re-engagement with the European Horizon funding scheme opens up further avenues following our continued strong relationship with European partners.

Utility markets have settled compared to the view 12 months ago, when we were well protected by proactive forward buying, and although costs are higher, these are not expected to be as impactful as feared. We are also accelerating the installation of solar power generation on buildings and other sites where suitable, to contribute to our net-zero target and reducing exposure to market fluctuations.

The USS 2023 Valuation, reporting a surplus of £7bn, provides much needed certainty and lower contribution rates for employees and employers. For employees, this change, on top of planned pay-awards will go some way to address the impact of the sustained high inflation and certainly maintains our historic good relations with our local trade unions.

Our student body continues to be exposed to increased costs of living and the University is maintaining its support with increased hardship funding and initiatives such as £2.00 hot main meals from our catering outlets. The University is also matching the levels of funding for University funded PhD stipends to keep in line with increases offered by UKRI funded stipends.

Inflation risks will continue, however following the sharp up-turn, managers within the University have more understanding and appreciation for the impacts and are planning appropriately.

Our debt is all based on fixed interest rates so we have no adverse exposure to rising rates, but we will benefit from increased returns on our treasury operations managing our significant cash balances.

Going Concern

The financial statements have been prepared on a going concern basis which the Council consider to be appropriate following the excellent results reported for 2022/23, the strong research performance, and mitigations in place to cope with lower than hoped student recruitment; we expect to meet our budget in 2023/24. We finished the year with higher bank balances on which we are securing additional interest receipts on a low risk basis. The USS 2023 Valuation will result in materially lower contribution rates for employers and employees which will be a significant benefit to staff in the face of continued high inflation rates, supporting strong relations with our trade unions and lowering the potential for further industrial action.

Research awards, representing the order book for current and future research grant and contract income remains strong at £138m, the third successive year awards have exceeded £125m and the 7th successive year above £100m. These awards will convert to income over the next few years.

The University is exposed to higher levels of pay and non-pay inflation, exacerbated by the continued freeze on Home Undergraduate fee levels, however budget holders are becoming adept in managing within these constraints, as evidenced by this year's performance.

Market interest rates do not have an impact on the University's debt but will allow the University to materially benefit from interest receivable on our significant cash balances.

We hold a low-cost £50m revolving credit facility and, although this is very unlikely to be drawn upon in the coming year, this provides additional liquidity comfort should this be needed.

The University has prepared cash flow forecasts, including consideration of downside scenarios including but not limited to lower student entrants or a decline in research grants and contracts, for the going concern period, being 12 months from the date of approval of these financial statements. Consequently, Council is confident that the University and the Group will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Dave Stacey

Chief Financial Officer and Director of Finance,
Infrastructure and Commercial Services

Corporate Governance and Statement of Internal Control

Legal Status of the University

The University is an incorporated body with charitable status. It is an exempt charity, meaning it is exempt from registration with the Charity Commission. The Office for Students (OfS), the regulator for higher education in England, also acts as the regulator for English higher education charities. The University is a registered higher education provider and is recorded on the OfS register of providers, currently without any additional conditions.

Governance

The articles of governance for the University are contained within its Royal Charter, Statutes and Ordinances. Under the terms of the Royal Charter, the University is required to have a supreme governing body, the Council, and a senior academic body, the Senate. Management responsibility is devolved under a scheme of delegation by Council to the President and Vice-Chancellor, who is supported by the University's Executive Board (UEB), details of which are given in the section on management.

Council

Council, as the governing body, is responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It is also responsible for seeking assurance that the University is compliant with relevant regulation and legislation. There are 22 members of Council, the majority of whom are from outside the University (independent members). The members include representatives of staff and students. Council met seven times during 2022/23, including a strategic away day. There was also the annual joint meeting between the Council and the Senate. The responsibilities of Council are more fully described below.

Senate

Senate, as the senior academic body, is given devolved responsibility by the Council, for student matters, academic quality and standards, and plays a key role in the development and approval of the University's education and research strategies. There are 72 members of the Senate, including members elected by the University's academic faculties and student representatives. There were three formal meetings of the Senate during 2022/23 and the annual joint meeting of the Council and the Senate.

Although Senate meets regularly each academic year, much of its detailed work is delegated to committees, principally Education Board and Postgraduate Research Board. Further information about Council and Senate Committees can be found at: www.exeter.ac.uk/about/organisation/governance/committees

Management

The principal academic and administrative officer of the University is the President and Vice-Chancellor who has general responsibility to Council and Senate for maintaining and promoting the efficiency and good order of the University. The President and Vice-Chancellor has been nominated the accountable officer under the Terms and Conditions of Funding with the Office for Students.

As Chief Executive of the University, the President and Vice-Chancellor exercises considerable influence on the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. Senior managers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the President and Vice-Chancellor.

The University's Executive Board (UEB) is comprised of the senior management team of the University. Led by the President and Vice-Chancellor, it includes the Senior Vice-President and Provost, four Vice-President and Deputy Vice-Chancellors, one Deputy Vice-Chancellor, three Pro Vice-Chancellors, the Senior Vice-President and Registrar & Secretary, the Executive Divisional Director of Human Resources, the Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services, the Executive Divisional Director of External Engagement and Global, and the Deputy Registrar and Executive Divisional Director of Education and Academic Services. Details of UEB membership is given at the front of these Financial Statements.

Corporate Governance and Statement of Internal Control

Responsibilities of Council

In alignment with the Committee of University Chair's (CUC) Code of Governance (September 2020), Council has agreed to adopt the following statement of Primary Responsibilities:

1. To set and agree the mission, strategic vision and values of the institution with the Executive.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. To delegate authority to the President and Vice-Chancellor for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the President and Vice-Chancellor.
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.
9. To appoint the President and Vice-Chancellor as Chief Executive and to put in place suitable arrangements for monitoring their performance.
10. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
11. To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.
12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.
13. To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.
14. To receive assurance that adequate provision has been made for the general welfare of students.
15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
16. To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.
17. To promote a culture which supports inclusivity and diversity across the institution.
18. To maintain and protect the principles of academic freedom and freedom of speech legislation.
19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.
20. To receive and test assurances that academic governance overseen by Senate is adequate and effective.

Responsibilities of Council in the preparation of the Financial Statements

Council are responsible for preparing the Annual Report and the Financial Statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

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

In preparing each of the group and parent University Financial Statements, members of Council are required to:

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

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

Council are also responsible for ensuring that:

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

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

The arrangements described above were in place during the period covered by this annual report, including up to the point of the annual report approval in December 2023.

Corporate Governance and Statement of Internal Control

Dual Assurance

The mechanism of Dual Assurance was introduced at the University in 2007 to support the governance of the institution by providing enhanced visibility and understanding to Independent Council members regarding key areas of the University. As its name suggests, the model of Dual Assurance involves the UEB lead and independent member of Council and provides a useful mechanism for Independent Members to develop their knowledge and

understanding of the University; build a constructive relationship with an Independent UEB lead and provides a mechanism for the University to benefit from the experience and expertise of Independent Members.

The table below shows the areas governed through dual assurance and the management and independent leads as of November 2023:

Business Area	Management Lead	Independent Lead
Digital	Senior Vice-President and Registrar & Secretary	Andrew Greenway
Education and Student Experience	Vice-President and DVC Education and Student Experience	Sir Richard Atkins
Environment and Climate Emergency	Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services / Director of Sustainability	Glenn Woodcock
Equality Diversity and Inclusivity & Human Resources	Executive Divisional Director of Human Resources	Salam Katbi
Estates	Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services	Karime Hassan
Finance and Investment	Chief Financial Officer and Executive Divisional Director of Finance, Infrastructure and Commercial Services	Alison Reed
Global Strategy, Marketing and Reputation	Vice-President and Deputy Vice-Chancellor (Global Engagement)	Damaris Anderson-Supple
Information Technology	Senior Vice-President and Registrar & Secretary / Director of Exeter IT	Andrew Greenway
Innovation and Business	Vice-President and Deputy Vice-Chancellor, Research and Impact	Professor Malcolm Skingle
Research, Impact and Research Ethics	Vice-President and Deputy Vice-Chancellor, Research and Impact	Professor Malcolm Skingle
Sport	Deputy Registrar and Executive Divisional Director of Education and Academic Services / Director of Sport	Salam Katbi

Statement of Internal Control

Council has responsibility for ensuring the maintenance of a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding public and other funds and assets for which it is responsible. The system of internal control is designed to manage rather than eliminate the risk of non-achievement of policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the University's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of approval of the Financial Statements.

As the governing body, Council must assure itself of the effectiveness of the University's systems of internal control. It meets at regular intervals to consider the plans and strategic direction of the institution and receives the minutes of Audit and Risk Committee and periodic reports from the Chair of Audit and Risk Committee concerning internal control. The review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the University, who have responsibility for the development, maintenance and continual review of the internal control framework.

The Audit and Risk Committee receives regular reports from internal audit, which include an independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The programme of internal audit work during the year has focused on our most significant risk areas and has been designed to evidence the achievement of value for money with regard to efficiency, economy and effectiveness. The Council has appointed Price Waterhouse Coopers LLP (PWC) to provide internal audit services to the University. The Audit and Risk Committee approves the strategic internal audit plan and receives internal audit reports from PWC at its regular meetings during the year. Where appropriate, individual audit reports are considered by other committees for information. Council receives regular reports on the progress of the audit plan from the Chair of Audit and Risk Committee. The internal auditors provide an annual report, which includes an opinion on internal control, risk and the adequacy and effectiveness of our arrangements for economy, efficiency and effectiveness. The internal auditors performed 12 audits over the year, all with management responses. Of the 12 audits performed, 2 were deemed 'low risk', 5 'medium risk', 1 'high risk' and 4 were advisory reviews. The one high risk rating was in relation to our fire safety review and has been closed down. The Audit and Risk Committee track progress on completing agreed audit actions throughout the year.

In addition to the annual assurance report received from Internal Audit, the Audit and Risk Committee and Governors receive benchmarking and sector specific reports from both Internal and External Auditors to assist them in discharging their responsibility to monitor the University's performance in delivering value for money.

Corporate Governance and Statement of Internal Control

The University's policy towards fraud, malpractice and corruption is one of zero tolerance. The University's anti bribery and fraud policies set this out in detail, whilst the Financial Regulations set out the arrangements for reporting and responding to fraud. The anti-bribery and fraud policies are reviewed periodically and the Financial Regulations annually and are approved by the Council. The main emphasis of the fraud policy is on fraud prevention, achieved through risk assessment, process design informed by awareness of fraud risk, and by keeping staff alert to risks. There is regular reporting of fraud and irregularities at the Audit and Risk Committee.

Governors and senior managers are required to ensure that their behaviour is demonstrably selfless and open and that they champion the University's policies on bribery, in particular, conflicts of interest, hospitality, travel, and gifts. These are set out in the Financial Regulations and associated policies. The Chair of the Board of Governors signs a Letter of Representation on behalf of the governing body which includes such assurances. This would include instances of bribery. These arrangements provide an ongoing process for identifying, evaluating and managing the significant risks faced by the University. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

The University maintains an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University's strategic plan.

UEB has responsibility for risk management, receiving updated risk registers from Faculties and Services, updating the corporate risk register and reporting on risk to Council throughout the year. Council and UEB are assisted in the definition and scoring of risk across the institution and the development of risk management policies by the Risk Dual Assurance Group. The work of these key groups with regard to risk is supported by the Compliance, Governance and Risk Directorate.

Responsibility for the operational management of individual corporate, college and professional services risks rests with risk owners and the risk facilitators in these areas. Risks are evaluated on their likelihood and the impact of risks becoming a reality. Key risks are escalated to Council and UEB as part of their termly reporting, or sooner through the dual assurance governing mechanism. These reports are used to inform the Corporate, Faculties and Professional Services risk registers considered by UEB, Council and Audit and Risk Committee. This ensures that the risk information provided via the registers to UEB and Council includes business, operational, compliance and financial risk from all areas of the University.

The University uses a tolerance / appetite model of risk reporting. This approach is underpinned by four categories: risk averse, unknown risk, managed risk and risk reward. These categories have different reporting thresholds and allow management to understand tolerance of risk in a more granular and focused manner (e.g. by setting lower reporting levels for compliance risks and higher ones for strategic risks). This model has allowed the University to better understand its key risks and put in place mitigating actions in partnership with its Colleges and Professional Services. For further details on operational, compliance and financial risks please refer to Risk section of the Annual Report.

Higher Education Code of Governance

Council has adopted the Committee of University Chairs Higher Education Code of Governance, issued in September 2020. In accordance with the Code, the Council adopted a revised and updated Statement of Primary Responsibilities in October 2023 based on the Code's model statement and is adapted to reflect the powers and responsibilities derived from University Statutes.

In accordance with the Code, Council undertook a review of its effectiveness in October 2021 and produced an action plan in response to the recommendations raised. In April 2021 an internal audit was performed on University governance.

The Corporate Governance Statement and Responsibilities of the Council of the University are set out on pages 55 to 57 and were approved by Council on 12 December 2023 and signed on its behalf by:

Quentin Woodley
Pro-Chancellor and Chair of Council

Professor Lisa Roberts
President and Vice-Chancellor

Report from the Chair of Audit and Risk Committee

In September 2022, following the disbandment of the Dual Assurance portfolio for Risk, the committee underwent a change from the 'Audit Committee' to the 'Audit and Risk Committee' which reflected an increased delegation from Council to the Committee for providing assurance of the effectiveness of risk management. As a result of this change, further amendments to the Terms of Reference were identified and discussed at the September meeting and subsequently confirmed at the October meeting.

The Committee continues to work to the Office for Students' guidance, as set out in the Terms and Conditions of Funding and its other regulatory documents, and as elaborated in the CUC's Handbook for Members of Audit Committees in Higher Education Institutions, and the CUC Higher Education Code of Governance and Audit Committee Code of Practice.

In accordance with its standard business schedule, the Audit and Risk Committee held 5 routine meetings in the Academic Year 2022-23. Exceptional meetings of the Committee were also held in November 2022 and March 2023 to enable detailed discussion of the Risk Register prior to consideration by Council. A further special meeting of the Committee was held in April 2023 to review the Internal Audit Report on UUK Accommodation Code of Practice Compliance.

The attendance of the membership of the Audit and Risk Committee at meetings in 2022/23 was as follows:

	Eligible to attend	Actually attended
Nicholas Cheffings, Independent Member of Council and Chair	8	8
Graham Cole, CBE, Independent Member of Council	8	8
David Dupont, Independent External Member of Audit and Risk Committee	8	8
Simon Enoch, Independent External Member of Audit and Risk Committee	8	6
Alison Reed ACA, Independent Member of Council	8	7

Whilst the membership of the Committee consists entirely of non-executive members, to ensure balanced representation of perspectives, senior officers from the University regularly attended, including: the Senior Vice-President and Registrar & Secretary; the Chief Financial Officer; and the Assistant Director (Compliance and Risk). Other senior officers were invited to attend Committee meetings as and when required for particular agenda items and invitations were also extended to a Pro-Vice-Chancellor to attend specific meetings to help broaden the Committee's awareness of particular risks and opportunities within Faculties.

The Assistant Director (Governance) acts as Secretary to the Committee.

The Committee agreed the plan of work for 2022-23 with PWC, the University's appointed internal auditors, and during the year reviewed the outcome of 12 internal audit reports and also continued to ensure a strong focus on the completion of outstanding audit recommendations.

Throughout the 2022/23 academic year, Audit and Risk Committee received in-year assurance updates at each Committee meeting from the Assistant Director of University Corporate Services, Compliance and Risk and the Compliance Committee. The Audit and Risk Committee held discussions on key corporate risks such as information security and student wellbeing, and deep dive discussions on new sector risks (including Generative Artificial Intelligence and International Student Recruitment), with input on sector wide horizon scanning and lessons learned provided by the appointed external auditor (KPMG) and the internal auditors PWC.

Other key areas that have been reviewed and considered by the Committee have included:

- Data Assurance and Quality
- The Modern Slavery Act
- Cyber Security, IT Resilience and Associated Risks
- Student Health and Wellbeing
- Digital Strategy
- Inflation
- EDI Issues
- Sustainability Reporting

In its Annual Report to the President and Vice-Chancellor, Council and the OfS for 2022/23, the Committee was of the opinion that the University had a sound framework of control for risk management, governance, value for money, the management and quality assurance of data and that these arrangements were adequate and effective and provided reasonable assurance regarding the effective achievement of the University's objectives.

Nicholas Cheffings

Chair of Audit and Risk Committee

Reports from the Chair of Nominations Committee

The Nominations Committee is responsible for making recommendations to Council in relation to the following positions:

- The Chancellor
- The Pro-Chancellors
- The Chair of Council
- Independent Members of Council
- Membership of Committees of Council and representation of Council Membership on other University groups
- Appointments to Trusts associated with the University

Nominations Committee is also responsible for reviewing arrangements for the training and development needs of the governing body and for succession planning. The Committee's recommendations are informed, in part, by a skills matrix, which details the relevant skills of Council's current membership and skills sought in new appointments.

The Nominations Committee actively promotes equality and diversity in all its deliberations and appointments.

The Committee met five times in the academic year 2022/23.

- 24 November 2022
- 22 February 2023
- 13 April 2023
- 21 June 2023
- 28 June 2023

The attendance of the membership of the Nominations Committee at meetings in 2022/23 was as follows:

	Eligible to attend	Actually attended
Quentin Woodley, Pro-Chancellor and Chair of Council (Chair)	5	5
Sarah Buck OBE, Pro Chancellor and Senior Independent Governor	5	5
Sir Richard Atkins, Pro-Chancellor and Deputy Chair of Council	5	5
Lisa Roberts, President and Vice-Chancellor	5	4
Professor Janice Kay CBE, Provost and Senior Deputy Chancellor	5	3
Mike Shore-Nye, Senior Vice-President and Registrar & Secretary	5	5
Bettina Rigg, co-opted member	5	4

The Committee made the following recommendations to Council which were subsequently approved:

Council

- The appointment of Sally Cabrini as an Independent Council Member (Class I), Pro-Chancellor and Senior Independent Governor for a first term of office from 1 August 2023 – 31 July 2026;
- The appointment of Karime Hassan as Independent Council Member (Class II) for a first term of office from 1 August 2023 – 31 July 2026;
- The appointment of Tim Weller as an Independent Council Member (Class II) for a first term of office from 1 August 2023 – 31 July 2026;
- The appointment of Sarah Matthews-DeMers as an Independent Council Member (Class II) for a first term of office from 1 August 2023 – 31 July 2026;
- The appointment of Damaris Anderson-Supple as an Independent Council Member (Class II) for a first term of office from 1 August 2023 – 31 July 2026;
- The re-appointment of Sir Richard Atkins for a further three year term of office as Pro-Chancellor and Deputy Chair from 1 August 2023 – 31 July 2026.

Audit and Risk Committee

- The extension of David Dupont's term of office as an Independent Member of Audit and Risk Committee for an additional three years from 1 August 2023 – 31 July 2026;
- The extension of Simon Enoch's term as an Independent Member of Audit and Risk Committee for an additional two-years from 1 August 2023 – 31 July 2025;
- The appointment of Tim Weller as member of Audit and Risk Committee and Chair of the Committee from 2024-25.

Nominations Committee

- The appointment of Sally Cabrini as a member of Nominations Committee.

Remuneration Committee

- The appointment of Sally Cabrini as a member of Remuneration Committee and Chair of the Committee from 2024-25;
- The appointment of Malcolm Skingle as a member of Remuneration.

Reports from the Chair of Nominations Committee

Dual Assurance

The Committee endorsed the scope, membership and terms of reference for the establishment of a Council Assurance Review Group (Chaired by the Chair of Council), to review the current assurances provided to Council (including the mechanism of Dual Assurance) and to develop a set of proposals to enhance the current processes, identify areas where further assurance may be required and to reduce any areas of duplication.

The establishment of the Council Assurance Review Group was approved by Council in July 2023 and the group will report back to Nominations Committee and Council in the Academic Year 2023-24 with a full set of proposals and recommendations to be implemented in the Academic Year 2024/25.

Trustees

Nominations Committee also made the following recommendations for appointment to the following Trustees, which were subsequently approved by Council:

Exeter Retirement Benefit Scheme (ERBS Trustee Ltd):

- The appointment of Steve Balmont as a Trustee of the Exeter Retirement Benefit Scheme (1 August 2023 – 31 July 2025);
- The appointment of Ray O'Connell as a Trustee of the Exeter Retirement Benefit Scheme (1st August 2023 – 31 July 2025);
- The appointment of Margaret Laithwaite (1 August 2023 – 31 July 2027) as a Trustee of the Exeter Retirement Benefit Scheme.

Investment and Endowment Group:

The appointment of Sarah Bourgein and Nick Roberts as members of the Investment and Endowment Group.

Quentin Woodley

Chair of Nominations Committee

Annual Report of Remuneration Committee

The Remuneration Committee is responsible for setting the remuneration of the President and Vice-Chancellor and other members of the University Executive Board (UEB).

The membership of the Committee is comprised solely of independent members of Council. The Committee is chaired by a Pro-Chancellor and the Chair of Council is also a member. The President and Vice-Chancellor is not a member of the Committee. No member of staff is present for the discussion of their own remuneration or when the Committee makes decisions on the reward of members of the University Executive Board.

The Committee met four times during 2022/23. The attendance of members at meetings was as follows.

	Eligible to attend	Actually attended
Sir Richard Atkins	4	4
Sarah Buck OBE	4	4
Graham Cole CBE	4	4
Salam Katbi	4	2
Quentin Woodley	4	4

The Committee publishes a full annual report as recommended by the Committee of University Chairs. This is available on the Remuneration Committee section of the University website together with the Committee's updated Executive Reward Policy and Terms of Reference.

At the beginning of the year, the Committee reviewed the achievement of institutional targets and personal objectives for the 2021/22 financial year. Taking account of these assessments, the Committee made decisions on the level of performance related reward which should be paid under the Executive Performance Reward Scheme to recognise the achievement of personal and institutional objectives in 2021/22.

The Committee also agreed its annual report for 2021/22 and its schedule of work for 2022/23.

The Committee reviewed the base salaries of members of the University Executive Board. Taking account of market data, affordability and, performance, the Committee agreed increases, effective from August 2023, for a number of members of UEB, including the President and Vice-Chancellor. (Further information on the reward arrangements for the President and Vice-Chancellor are given in the Staff Costs section of the Financial Statements on page 79.) These decisions increased the pay bill of UEB by 0.9%.

At its first meeting in the autumn term 2023, the Committee reviewed the achievement of the institutional targets and personal objectives for members of the University Executive Board which had been agreed for 2022/23. Taking account of these assessments the Committee made decisions on the performance rewards which should be paid under the Executive Performance Reward Scheme to recognise the achievement of these institutional and personal objectives.

Further information about the Executive Performance Reward Scheme is provided in the Committee's annual report available on the Remuneration Committee section of the University website.

Sir Richard Atkins

Chair of the Remuneration Committee

Fundraising Standards

In line with the Charities (Protection and Social Investment) Act 2016, the University is required to provide information about fundraising activities for the University and Exeter University Foundation (the Foundation).

The University of Exeter employs a team of professional fundraisers, as well as a number of student telephone fundraisers, to raise new funds through a variety of methods, namely: legacy fundraising, major gift fundraising from individuals, fundraising from charitable trusts, foundations, corporates and other organisations and low level fundraising requests made via telephone, email, mail, or crowdfunding. The University takes a long-term approach to fundraising, taking time to develop relationships with potential donors and then carefully stewarding existing donors. The University seeks to engage all alumni, whether they choose to donate or not, and is keen to maintain mutually beneficial relationships with all its stakeholders.

The University is careful to ensure that its approach to fundraising protects vulnerable people and other members of the public from unreasonable intrusion, persistent approaches or from placing undue pressure on a person to give money or other property.

- The University provides regular opportunities for all alumni and other individuals being solicited to opt out of all or some of a variety of fundraising approaches. These preferences are accurately recorded on the central database and are reflected in data selections for specific appeals.
- The University of Exeter does not actively fundraise from individuals over the age of 80 by telephone or over the age of 83 for postal or e-appeals, where age is known or suspected. Donors over the age of 80 are informed of the impact of their existing donations by post and phone, but are not asked to increase their donations.
- All contactable alumni, regardless of age, receive generic communications from the University, updating them about the University's activities and progress, including the impact of previous donations. These communications may include details of how to support the University.
- The University does not solicit donations from each individual more than once per year over the telephone or more than four times per year through direct mail.

All fundraising staff are trained to ensure that no undue pressure is placed on potential donors. The University takes a life-long approach to relationships with alumni and others and does not want to impede those relationships by pressuring individuals to make donations.

Activities carried out by fundraisers are monitored through standard University procedures surrounding Performance Development Reviews. All fundraising activity is recorded on a central database.

The University is registered with the Fundraising Regulator which is the independent regulator of charitable fundraising in England, Wales and Northern Ireland. More details about the Fundraising Regulator and the Code of Fundraising Practice can be found online: www.fundraisingregulator.org.uk

The University received no complaints about its fundraising activities for the year to 31 July 2023.

Independent Auditor's Report to Council of University of Exeter

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the University of Exeter ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Statement of Cash Flows and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of management, the Audit & Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit & Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that research income is not recognised in accordance with the relevant grant terms and conditions and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying and testing journal entries based on risk criteria and comparing the identified entries to supporting documentation. These included unusual postings to revenue, cash or borrowing accounts.
- Verifying research income recognised is appropriate based on the underlying grant agreement and corresponding research expenditure.

Independent Auditor's Report to Council of University of Exeter

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's license to operate. We identified health and safety, data protection laws, employment law, and compliance with regulatory requirements of the Office for Students as those most likely to have such an effect, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

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

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

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

Other information

The Council is responsible for the other information, which comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

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

Council responsibilities

As explained more fully in its statement set out on page 56, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities

Independent Auditor's Report to Council of University of Exeter

Report on other legal and regulatory requirements

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

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 10 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in Note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council in accordance with Section 10 of the Articles of Government. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Rees Batley
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 66 Queen Square
 Bristol
 BS1 4BE

December 2023

Principal Accounting Policies

Basis of Preparation

The University and Consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of funding for higher education institutions issued by the Office for Students and the Terms and Conditions of Research England Grant. The Financial Statements are prepared in accordance with the historical cost convention except for the revaluation of heritage assets, investment property, endowment assets and pensions.

The University is a public benefit entity and therefore has applied the relevant public benefit entity requirements of FRS102.

Going concern

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

The University has prepared cash flow forecasts, including consideration of downside scenarios, for the going concern period, being 12 months from the date of approval of these financial statements. The University is confident that it will be able to meet all its obligations and commitments over the going concern period, operating within our lenders' and pensions' debt monitoring covenants. Consequently, the Council is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. See the last section of Financial Review for more details.

Basis of Consolidation

The results of the University's subsidiary undertakings and undertakings in which it has a controlling interest for the financial year ended 31 July 2023, have been consolidated in the Financial Statements. Details of these subsidiaries are provided in Note 15.

Jointly controlled entities are accounted for using the equity method. The University's share of income and expenditure in joint venture entities is recognised in the Statement of Comprehensive Income for the group, and its share of assets and liabilities in joint venture entities are recognised in the consolidated Statement of Financial Position. Details of these joint ventures are provided in Note 16.

The consolidated Financial Statements do not include the income and expenditure of the University of Exeter Students' Guild and the Students' Union in Penryn, as the University does not operate dominant or significant influence over their activities.

Recognition of Income

Recurrent grants and tuition fees

Recurrent grants from funding bodies represent the funding allocations, which are attributable to the current financial year and are credited directly to the income and expenditure account.

Tuition fees represent all fees chargeable to students or their sponsors, received and receivable, which are attributable to the current accounting period net of discounts. The cost of any fees waived by the University is deducted from tuition fee income. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Grant funding

Grant funding including funding council grant, research grants from government sources and grants (including research grants) from non-government sources are recognised when the University is entitled to the income and performance related conditions have been met. If no performance conditions exist, income is recognised on entitlement. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

Capital grants are recognised within income when the University is entitled to the funds, subject to any performance related conditions being met.

Donations and endowments

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

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

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with the restrictions, at which point the income is released to general reserves through a reserve transfer. Donations without restrictions are recognised in income when the University is entitled to the funds.

Gifts in kind are included in donations using a reasonable estimate of their gross value or the amount realised.

Principal Accounting Policies

Other income

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Investment income is included in full in the income and expenditure account. Income from endowment assets held for restricted purposes imposed by the donor or funder is recognised in line with the conditions attached to the University's right to the investment income.

The University acts as an agent in the collection and payment of hardship funds and training bursaries from the funding bodies. Related receipts from the Department for Education and Teaching Regulation Agency (DETRA) and subsequent disbursement to students are excluded from the income and expenditure account. Details of transactions in the year are provided in Note 31.

Income within the University's subsidiary companies represents the fair value of consideration receivable, excluding Value Added Tax, in the ordinary course of that Company's business for goods and services provided. In respect of long-term contracts and contracts for ongoing services, income represents the value of work done in the year, including estimates of amounts not invoiced. Income in respect of long-term contracts for ongoing services is recognised by reference to the stage of completion.

Accounting for retirement benefits

The two principal pension schemes for University staff are the Universities Superannuation Scheme (USS) and the University of Exeter Retirement Savings Scheme (ERSS). A third scheme, the University of Exeter Retirement Benefit Scheme (ERBS) closed to future accrual in November 2016.

The USS is a multi-employer hybrid scheme, offering a mix of defined benefits as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other providers' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the discounted fair value of the contractual contributions payable to the scheme. Since the University has entered into an agreement that determines how each employer within the scheme will fund the scheme's overall deficit, the University therefore recognises its share of the liability for deficit contributions payable and resulting expense in profit and loss. Contractual contributions are recognised through staff costs in the Statement of Comprehensive Income. The scheme is revalued periodically by professionally qualified independent actuaries.

ERSS is a defined contribution scheme, which opened in December 2016. The University pays fixed contributions to the fund that are recognised within staff costs.

ERBS, a defined benefit scheme, was closed to future accrual in November 2016. The Group's net obligation in respect of defined benefit pension plans is calculated annually by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. That future benefit is then discounted, to determine its present value, and compared to the fair value of scheme's assets valued at bid price. Movement in the scheme's net value is recognised through staff costs in income and expenditure account.

Further information on pension schemes and post-retirement benefits are disclosed in Note 28.

Employment benefits

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

Finance leases

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

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

Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on 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 the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

Operating leases

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated into sterling at the foreign exchange rate ruling at that date. Resulting exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Principal Accounting Policies

Taxation

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

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

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

Tangible and intangible assets

Non-current tangible and intangible assets are stated at cost less accumulated depreciation/ amortisation and accumulated impairment losses. Land and buildings that had been revalued to fair value on or prior to the date of transition to the SORP 2015, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Capitalisation

Tangible and intangible assets are capitalised where they are capable of being used for a period that exceeds one year and satisfying the following criteria:

- Individually have a cost greater than £25,000; or
- Collectively have a cost equal to or greater than £25,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost, form part of the initial equipping of a new building.

The University has a five-year rolling long-term maintenance plan, which forms the basis of the on-going maintenance of the estate. Expenditure on long term maintenance which does not either enhance an asset beyond its original condition or increase its expected economic life, and expenditure on all routine corrective maintenance, is charged to the income and expenditure account as incurred. Major replacement and refurbishment work is capitalised if the work creates or enhances an existing asset, or improves or substantially overhauls an asset. Finance costs directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

Intangible assets held by the University relate to software.

Depreciation / Amortisation

Depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal, with the exception of research equipment which is depreciated monthly on a straight-line basis. All depreciation is calculated on a straight-line basis as follows:

Freehold land	Not depreciated
Freehold buildings	Over their expected remaining useful lives, subject to a maximum of 60 years
Leasehold buildings	Over the shorter of the lease term and the expected useful lives, subject to a maximum of 60 years
Assets under construction	Not depreciated
Assets held for sale	Not depreciated
Infrastructure	Over their expected remaining useful lives, subject to a maximum of 60 years
Computer equipment and IT infrastructure	Over its expected useful life between 4 to 8 years
Intangible assets / software	Over its expected useful life between 3 to 5 years
Other equipment	Over its expected useful life between 3 to 8 years

Building works that are greater than £150,000 are analysed into the following components:

Component	Life
Building shell	40-60 years
Mechanical and engineering services	10-30 years
Fit out	20-25 years

Heritage assets

Heritage assets are capitalised and recognised at the cost or value of the acquisition where such cost or valuation is reasonably obtainable. Where reliable estimates of cost or value are not available on a cost-benefit basis, these assets are omitted from the Financial Statements. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

Heritage assets are valued at fair value by independent valuation agents every 3 years with a physical inspection occurring every 5 years.

Any costs of maintaining and displaying the collection are reported in the Statement of Comprehensive Income in the year when they are incurred.

Principal Accounting Policies

Investment property

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Rental property held primarily for the provision of social benefits (e.g. student residences) are accounted for as tangible fixed assets rather than Investment Property, in accordance with FRS 102.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Surplus or Deficit. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

Investments

Non-current investments are held on the Statement of Financial Position at amortised cost less impairment. Current asset investments are included in the Statement of Financial Position at fair value. Increases/decreases in value arising on the revaluation of fixed asset investments are recognised in the Surplus or Deficit.

In the Financial Statements of the University the investments in subsidiary undertakings are included in the Statement of Financial Position at cost.

Stock

Stock is shown at the lower of cost and net realisable value and is measured using a first in first out formula. Where necessary, provision is made for obsolete, slow-moving and defective stocks. Stocks of consumables held for administration purposes and in faculties are not valued.

Cash and cash equivalents

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

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

The current investment assets held by the University are deposits with banks and building societies with maturity between three and twelve months at the date of acquisition. These are held at cost.

The Statement of Cash Flows included in the financial statements is for the group. We have taken advantage of an exemption not to show the Statement of Cash flows for the University, permitted under the SORP Section 3.3.

Financial Instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another. Financial assets and financial liabilities are recognised when the University becomes a party to the contractual provisions of the instrument.

The provisions of both section 11 and 12 of FRS102 are applied in full. Basic financial instruments are held at amortised cost using the effective interest method or cost and are subject to an annual impairment review.

Complex financial instruments are held at fair value, with changes in the fair value taken directly to the Statement of Comprehensive Income, except where hedge accounting is applied.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the Financial Statements when:

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

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

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

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

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

Reserves

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

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

Key Estimates and Judgements

Key sources of estimation uncertainty

The preparation of the University's Financial Statements required management to make judgement, estimates and assumptions that affects the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Pensions - USS

USS is a multi-employer scheme consisting of members not under common control, whereby the liabilities of the scheme cannot be separately attributable to individual Universities / employers. The University has an obligation to fund the deficit recovery plan, and this liability is recognised as a pensions provision, calculated as the discounted fair value of the contractual contributions payable under the recovery plan in existence at the Statement of Financial Position date. The resulting expense charged through the profit and loss accounts in accordance with section 28 of FRS 102.

Assumptions used to calculate the scheme liability in the current financial year and the sensitivity of the principal assumptions used to measure the USS deficit provision are disclosed in Note 28.

Pensions - ERBS

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial assumptions such as expected inflation rates, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the University's retirement benefit obligation and pension assets/liabilities. Assumptions used in the current financial year are detailed in Note 28.

Critical accounting judgements in applying the University's accounting policies

There are no such judgements in either the current or prior year.



Consolidated and University Statement of Comprehensive Income

Year ended 31 July 2023

	Notes	GROUP		UNIVERSITY	
		Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
INCOME					
Tuition fees and education contracts	1	339,498	326,635	339,498	326,635
Funding body grants	2	75,592	62,756	75,592	62,756
Research grants and contracts	3	118,689	106,765	118,689	106,765
Other income	4	84,203	83,725	84,200	83,667
Investment income	5	8,072	1,440	8,072	1,439
Endowments and donations	6	6,862	5,603	7,431	6,676
Total income		632,916	586,924	633,482	587,938
EXPENDITURE					
Staff costs	7	329,797	307,118	329,797	307,118
Staff costs – movement on USS pension provision	7	(26,057)	131,817	(26,057)	131,817
Operating expenses	8	204,099	181,148	204,060	181,074
Depreciation and amortisation	9	62,361	59,054	62,361	59,054
Impairment charge	9	21,411	-	21,411	-
Interest and other finance costs	10	12,441	6,331	12,441	6,331
Total expenditure		604,052	685,468	604,013	685,394
Surplus/(deficit) before other gains/(losses) and share of operating surplus in joint ventures		28,864	(98,544)	29,469	(97,456)
Loss on investments	15	(3,016)	(2,570)	(3,016)	(2,570)
Share of operating surplus/(deficit) in joint venture	16	466	1,068	-	-
Surplus/(deficit) for the year		26,314	(100,046)	26,453	(100,026)
Revaluation gain on heritage assets	13	-	156	-	156
Actuarial (loss)/gain in respect of pension schemes	28	(7,397)	13,227	(9,633)	1,983
Total comprehensive income/(deficit)		18,917	(86,663)	16,820	(97,887)
Represented by:					
Endowment comprehensive loss for the year	23	(100)	(853)	(100)	(853)
Restricted comprehensive (expenditure)/income for the year		(15)	80	(15)	80
Unrestricted comprehensive income/(expenditure) for the year	24	19,001	(86,132)	16,904	(97,356)
Revaluation reserve comprehensive gain for the year	25	31	242	31	242
		18,917	(86,663)	16,820	(97,887)

All items of income and expenditure relate to continuing activities. The accompanying notes form part of these financial statements.

Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2023

GROUP	Endowment Reserve £'000	Restricted Income and Expenditure £'000	Unrestricted Income and Expenditure £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2021	49,547	42	446,203	22,023	517,815
Surplus/(deficit) from the Statement of Comprehensive Income	(853)	80	(99,359)	86	(100,046)
Other comprehensive income	-	-	13,227	156	13,383
Total comprehensive income/(expenditure)	(853)	80	(86,132)	242	(86,663)
Balance at 1 August 2022	48,694	122	360,071	22,265	431,152
Surplus/(deficit) from the Statement of Comprehensive Income	(100)	(15)	26,398	31	26,314
Other comprehensive income	-	-	(7,397)	-	(7,397)
Transfer between reserves	83	-	325	(408)	-
Total comprehensive income/(expenditure)	(17)	(15)	19,326	(377)	18,917
Balance at 31 July 2023	48,677	107	379,397	21,888	450,069

UNIVERSITY	Endowment Reserve £'000	Restricted Income and Expenditure £'000	Unrestricted Income and Expenditure £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 August 2021	49,547	42	454,967	8,940	513,496
Surplus/(deficit) from Statement of Comprehensive Income	(853)	80	(99,339)	86	(100,026)
Other comprehensive income	-	-	1,983	156	2,139
Total comprehensive income/(expenditure)	(853)	80	(97,356)	242	(97,887)
Balance at 1 August 2022	48,694	122	357,611	9,182	415,609
Surplus/(deficit) from the Statement of Comprehensive Income	(100)	(15)	26,537	31	26,453
Other comprehensive income	-	-	(9,633)	-	(9,633)
Total comprehensive income/(expenditure)	(100)	(15)	16,904	31	16,820
Balance at 31 July 2023	48,594	107	374,515	9,213	432,429

The accompanying notes form part of these financial statements.

Consolidated and University Statement of Financial Position

Year ended 31 July 2023

	Notes	GROUP		UNIVERSITY	
		Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Non-current assets					
Intangible assets	11	5,661	7,751	5,661	7,751
Tangible fixed assets	12	712,956	730,165	712,956	730,165
Heritage assets	13	9,287	9,245	9,287	9,245
Investments	15	46,682	48,799	46,832	49,009
Investment in joint venture	16	17,663	15,462	-	-
		792,249	811,422	774,736	796,170
Current assets					
Stock		860	616	860	616
Receivables	17	95,886	92,758	95,953	92,764
Investments	18	35,556	39,823	35,556	39,823
Cash and cash equivalents		149,984	137,035	149,798	136,731
		282,286	270,232	282,167	269,934
Less: Creditors: amounts falling due within one year	19	(174,897)	(173,125)	(174,905)	(173,118)
Net current assets		107,389	97,107	107,262	96,816
Total assets less current liabilities		899,638	908,529	881,998	892,986
Creditors: amounts falling due after more than one year	20	(261,907)	(262,790)	(261,907)	(262,790)
Provisions					
Pension provisions	28	(186,453)	(210,930)	(186,453)	(210,930)
Other provisions	29	(1,209)	(3,657)	(1,209)	(3,657)
Total net assets		450,069	431,152	432,429	415,609
Restricted Reserves					
Endowment reserve	23	48,677	48,694	48,594	48,694
Income and expenditure reserve		107	122	107	122
Unrestricted Reserves					
Income and expenditure reserve	24	379,397	360,071	374,515	357,611
Revaluation reserve	25	21,888	22,265	9,213	9,182
Total Reserves		450,069	431,152	432,429	415,609

The accompanying notes form part of these financial statements. The Financial Statements on pages 48 to 110 were approved by Council on 12 December 2023 and were signed on its behalf by:

Professor Lisa Roberts
President and Vice-Chancellor

Quentin Woodley
Pro-Chancellor and Chair of Council

Dave Stacey
Chief Financial Officer and Director of Finance, Infrastructure and Commercial Services

Consolidated Statement of Cash Flows

Year ended 31 July 2023

	Notes	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		26,314	(100,046)
Adjustment for non-cash items			
Depreciation and impairment	12	80,353	56,513
Amortisation of intangibles	11	3,419	2,541
Loss on investments	15	3,016	2,570
(Increase)/decrease in stock		(244)	1
Increase in debtors		(2,455)	(9,085)
(Decrease)/increase in creditors		(1,130)	12,260
(Decrease)/increase in provisions	29	(36,558)	127,531
Share of operating surplus in joint ventures		(466)	(1,068)
Adjustment for investing and financing activities			
Investment income	5	(8,072)	(1,440)
Loan interest and other finance costs	10	12,441	5,565
New endowments	6	(6,688)	(5,482)
Loss on the disposal of fixed assets	11,12	186	1,123
Capital grant receipts	2	(10,006)	(12,258)
Net cash inflow from operating activities		60,110	78,725
Cash flow from investing activities			
Proceeds on disposal of non-current asset investments		3,156	171
Investment income received		6,744	1,229
Capital grants received	2	10,006	12,258
Recall of/(payment into) short-term investments	18	4,267	(29,572)
New non-current asset investments		(2,900)	(1,299)
Payments made to acquire fixed assets	12,13	(7,505)	(4,264)
Payments made to acquire assets under construction	12	(26,971)	(16,563)
Payments made to acquire intangible assets	11	(1,347)	(1,689)
Net cash outflow from investing activities		(14,550)	(39,729)
Cash flow from financing activities			
Loan interest and other finance costs	10	(12,441)	(5,565)
New endowments	23	6,688	2,582
Capital element of finance lease		(26,858)	(25,524)
Net cash outflow from financing activities		(32,611)	(28,507)
Increase in cash and cash equivalents		12,949	10,489
Cash and cash equivalents at beginning of the year		137,035	126,546
Cash and cash equivalents at end of the year		149,984	137,035

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

NOTE 1 TUITION FEES AND EDUCATION CONTRACTS

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Home and EU students*	193,133	203,859	193,133	203,859
International students	135,778	114,039	135,778	114,039
Research Training Support Grant	5,442	5,564	5,442	5,564
Non-credit bearing course fees and other tuition fees	5,145	3,173	5,145	3,173
	339,498	326,635	339,498	326,635

* From 2021/22 new students admitted from the EU are classed as international students, whereas EU students who were admitted in prior years but continued their studies during 2022/23 remain classified as 'home and EU' students, as these students qualify for UK home fee status.

NOTE 2 FUNDING BODY GRANTS

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Recurrent Grant				
Office for Students – Teaching grant	18,619	15,885	18,619	15,885
UKRI – Research grant	38,715	28,163	38,715	28,163
Specific Grants				
Office for Students – Capital grants	100	2,030	100	2,030
UKRI – Capital grants	9,333	9,252	9,333	9,252
Other Capital grants	56	459	56	459
Higher Education Innovation Fund	6,386	5,873	6,386	5,873
Other grants	2,383	1,094	2,383	1,094
	75,592	62,756	75,592	62,756

The Office for Students (OfS) is the independent regulator of higher education in England. One of its functions is to distribute funding in respect of teaching activities.

UK Research and Innovation (UKRI) oversees higher education research and knowledge exchange and provides grant funding in support of these areas.

Notes to the Financial Statements

NOTE 3 RESEARCH GRANTS AND CONTRACTS

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Research Councils	48,563	42,929	48,563	42,929
UK Research Charities	14,338	14,453	14,338	14,453
UK Central Government, local authorities and health authorities	22,409	18,762	22,409	18,762
UK Industry and commerce	7,443	5,263	7,443	5,263
European Union government	15,641	17,602	15,641	17,602
European Union industry / other bodies	2,050	1,943	2,050	1,943
Other	8,245	5,813	8,245	5,813
Total Research Income	118,689	106,765	118,689	106,765

NOTE 4 OTHER INCOME

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Residences, catering and conferences	49,914	48,767	49,914	48,767
Other revenue grants	6,462	7,022	6,462	7,022
Other services rendered	2,492	2,766	2,492	2,183
Income from health authorities and trusts	6,403	5,610	6,403	5,610
Sports and swimming pool income	1,988	1,854	1,988	1,854
Summer schools, fair & degree day income	188	269	188	269
ERASMUS income	183	860	183	860
Rental income & room hire	922	962	922	962
Externally charged staff time	1,891	1,629	1,891	1,629
Supplies and services to external customers	8,672	7,647	8,672	8,172
Other income	5,088	6,339	5,085	6,339
	84,203	83,725	84,200	83,667

Included within residences, catering, and conferences £26.7m (2022: £25.4m) related to rental income from student residences that are operated under a service concession arrangement, which is further explained in Note 14.

Notes to the Financial Statements

NOTE 5 INVESTMENT INCOME

	Notes	GROUP		UNIVERSITY	
		Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Investment income on expendable endowments	23	464	368	464	368
Investment income on permanent endowments	23	704	642	704	642
Other investment income		6,827	429	6,827	429
Other interest receivable		77	1	77	-
		8,072	1,440	8,072	1,439

NOTE 6 ENDOWMENTS AND DONATIONS

	Notes	GROUP		UNIVERSITY	
		Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
New expendable endowments	23	6,581	5,408	6,581	5,408
New permanent endowments	23	107	74	107	74
Restricted donations		90	106	90	106
Unrestricted donations		84	15	653	1,088
		6,862	5,603	7,431	6,676

NOTE 7 STAFF COSTS

Average staff numbers (including senior post holders) employed by the University during the year and expressed as full-time equivalents are presented in the table below:

	Year Ended 31 July 2023 Number	Year Ended 31 July 2022 Number
Academic	1,968	1,805
Research	895	911
Professional Services	3,159	2,980
	6,022	5,696

Staff cost

Group	Notes	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Salaries		266,804	243,768
Employer Taxes		26,881	24,429
Pension contributions	28	34,843	38,360
Direct staff costs		328,528	306,557
Redundancy and severance payments		1,269	561
Movement on USS pension provision		(26,057)	131,817
		303,740	438,935

Notes to the Financial Statements

NOTE 7 STAFF COSTS (continued)

President and Vice-Chancellor Salary

University Context and institutional Performance 2022/23

The reward of the President and Vice-Chancellor reflects the level of responsibility and skills required to lead a complex institution, with a turnover of £633 million, in a challenging and globally competitive environment. The President and Vice-Chancellor leads the development and delivery of the institution's Strategy 2030¹⁰ to ensure the continued growth and success of the University. In 2023, the University achieved a Gold rating in the Teaching Excellence Framework, underpinned by Gold ratings in each of the two aspects of the assessment, both Student Experience and Student Outcomes, and was shortlisted for the Times Higher Education University of the Year.

In 2022/23 the University achieved a rise of 10 places in the influential QS World University Rankings to 153rd and this success was mirrored in our performance in The Times and Sunday Times Good University Guide 2024 where we rose 4 places to 11th in the UK, and were named runners up in the Guide's University of the Year' category. The University also witnessed its most successful year of philanthropic endeavours and was ranked first in the Russell Group for overall satisfaction in the National Student Survey 2022. The University was ranked first in the world in Clean Water and Sanitation and amongst the very best in Europe for Climate Action and Zero Hunger according to the THE Impact Rankings 2023. In recognition of our growth in stature in terms of our research and knowledge exchange activity, the University was reclassified in the Knowledge Exchange Framework.

The University's achievement in 2022/23 are detailed in the "How we performed" section of the Annual Report.

Remuneration Decisions

Decisions on the reward of the President and Vice-Chancellor are made by the University's Remuneration Committee (which is composed solely of independent members of the University's Governing Body) taking account of the level of responsibility, market data for the remuneration of Vice-Chancellors at competitor institutions, the achievement of strategic goals, the institution's national and international rankings and performance against strategic performance metrics.

The remuneration received by Professor Roberts in the year ended 31 July 2023 was:

- a base salary of £290,000 per annum.
- a performance award (under the Executive Performance Reward Scheme) of £50,750 (17.5% out of a potential 20%), recognising the achievement of institutional and personal performance targets agreed at the commencement of the year.

- The University paid pension contributions to the Universities Superannuation Scheme (USS) at the same level paid for other members of USS.

Recognising the importance of the President and Vice-Chancellor to the achievement of the University's strategic aims, the University also meets the cost of private health insurance.

Pay Ratios

The Office for Students' methodology for calculating pay ratios includes anyone paid during the financial year, including workers engaged on an occasional basis and both leavers and their replacements, irrespective of how long they worked during the year. Total pay includes employer pension contributions/allowance in lieu of employer pension contributions and taxable benefits. Pay for part-time and hourly paid workers have been pro-rated up to the full-time equivalent. Unlike some other higher education institutions, the University of Exeter has not contracted out services on a significant scale.

Based on the OfS methodology:

- The ratio between the President and Vice-Chancellor's basic salary in 2022/23 and the median basic salary of all other persons employed by the University in the 2022/23 financial year, including leavers and workers engaged on an occasional basis, is 8.9. (2021/22: 9.4);
- The ratio between the President and Vice-Chancellor's total reward in 2022/23 and the median total reward of all other persons employed by the University in the 2022/23 financial year, including leavers and workers engaged on an occasional basis, is 9.2. (2021/22: 10.6).

The figures excluding leavers and workers engaged on an occasional basis are:

- The ratio between the President and Vice-Chancellor's basic salary and the median basic salary of all other persons employed by the University in the 2022/23 financial year is 7.1. (2021/22: 8.0);
- The ratio between the President and Vice-Chancellor's total reward in 2022/23 and the median total reward of all other persons employed by the University in the 2022/23 financial year is 7.3. (2021/22: 9.4).

	2022/23	2021/22
Emoluments of the President and Vice-Chancellor	Total (£000)	Total (£000)
Salary	290	275
Performance related remuneration	51	48
Total pay made	341	323
Employer pension contributions	63	59
Other taxable benefits	1	-
Other non-taxable benefits	N/A	N/A
Total Emoluments	405	382

¹⁰ www.exeter.ac.uk/strategy2030

Notes to the Financial Statements

Compensation for loss of Office

The total amount of any compensation for loss of office paid by the University for the year ended 31 July 2023 was £1,269k and relates to 138 posts (£561k for 135 posts to 31 July 2022). These figures include statutory redundancy and voluntary severance payments.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. Such persons have been defined as members of the University's Executive Board.

Remuneration of key management personnel was £3,664k including employer's pension contribution for 19 posts for the year ended 31 July 2023. (Excluding employer's pension contributions £3,138k). (£3,642k including and £3,205k excluding employer's pension contribution for 19 posts to 31 July 2022).

Higher paid staff

Remuneration of higher paid staff, excluding employer's pension contributions (except where this is part of a salary sacrifice scheme) and partner institutions in respect of its contractual obligations to University staff under separate NHS contracts of employment and which are excluded in the University's Statement of Comprehensive Income is reported in the following table:

	Year Ended 31 July 2023 Headcount	Year Ended 31 July 2023 FTE	Year Ended 31 July 2022 Headcount	Year ended 31 July 2022 FTE
£100,000-£104,999	61	57.1	17	14.9
£105,000-£109,999	21	15.7	23	21.4
£110,000-£114,999	19	17.3	27	21.4
£115,000-£119,999	21	16.5	16	13.9
£120,000-£124,999	27	22.5	9	6.4
£125,000-£129,999	13	10.4	28	18.5
£130,000-£134,999	19	14.2	6	4.5
£135,000-£139,999	12	8.3	6	5.8
£140,000-£144,999	3	2.5	7	5.7
£145,000-£149,999	5	4.2	2	0.4
£150,000-£154,999	3	2.2	2	1.4
£155,000-£159,999	1	1.0	2	2.0
£160,000-£164,999	1	0.2	3	2.6
£165,000-£169,999	5	4.7	4	4.0
£170,000-£174,999	-	-	1	1.0
£175,000-£179,999	2	2	-	-
£180,000-£184,999	1	1	2	2.0
£185,000-£189,999	-	-	-	-
£190,000-£194,999	2	2	3	3.0
£200,000-£204,999	1	1	-	-
£210,000-£214,999	1	0.2	2	2.0
£215,000-£219,999	2	2	-	-
£220,000-£224,999	1	1	-	-
£225,000-£229,999	-	-	1	1.0
£230,000-£234,999	-	-	1	1.0
£233,000-£239,999	1	1	-	-
	222	187.0	162	132.9

The primary reason for the increase in the number of staff with remuneration of more than £100,000 is the combined effect of increases in salary scales in August 2022 and February 2023.

In line with the Office for Students Accounts Direction, the 2022/23 figures do not include staff who joined or left part-way through the year but who would have received salary in these bands in a full year.

This table excludes the President and Vice-Chancellor's remuneration, which is detailed on page 80.

Independent members do not receive payment, apart from reimbursement of expenses for fulfilling their role as members of the governing body. Reimbursement of expenses amounted to £5,257 for 8 trustees (2022: £11,105 for 9 trustees). An additional £11,760 was paid directly by the University for travel, accommodation and subsistence for Council members (2022: £24,645).

Council Members

The University Council members are the charitable trustees. Due to the nature of the University's operations and the composition of the University Council (with members being drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the University's procurement procedures and financial regulations. Details of the organisations in which members of Council have an interest are published online at www.exeter.ac.uk/about/organisation/council/whoweare

Further information on related party transactions is included in Note 30.

Notes to the Financial Statements

NOTE 8 OTHER OPERATING EXPENSES

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Residences, catering and conferences	11,341	15,441	11,341	15,440
Rents and rates	1,455	2,934	1,455	2,934
Light, heat, power and water	9,809	7,336	9,809	7,342
Repairs and general maintenance	10,924	11,515	10,924	11,515
Research	27,127	21,215	27,127	21,215
Sport	1,700	1,624	1,700	1,624
Penryn campus costs	8,130	7,689	8,130	7,689
Laboratory equipment and consumables	4,852	3,993	4,852	3,993
IT hardware, software and licences	9,305	8,963	9,305	8,962
Other equipment (including loss on disposal of equipment)	8,816	11,494	8,816	11,494
Books and periodicals	6,994	6,674	6,994	6,674
Agency, seconded staff and staff support costs	6,192	5,191	6,192	5,191
Publicity, publications and student recruitment	16,482	14,603	16,482	14,603
Travel and subsistence	12,951	8,537	12,951	8,537
Scholarships, prizes and student support	29,404	29,015	29,404	29,015
Auditors remuneration	221	122	205	115
Auditors remuneration in respect of non-audit services	35	47	31	40
Other expenses	38,361	24,755	38,342	24,691
	204,099	181,148	204,060	181,074
Included within other operating expenses are:				
Internal audit costs (within other expenses) ¹¹	204	161	204	161
External audit costs (within Auditors remuneration)	221	122	205	115
Operating lease expenses	647	534	647	534

¹¹ Internal and external audit costs are shown net of the Value Added Tax.

Notes to the Financial Statements

NOTE 9 ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

GROUP	Staff Costs £'000	Other Operating Expenses £'000	Depreciation and Impairment £'000	Interest Payable £'000	2023 Total £'000	2022 Total £'000
Academic colleges	166,292	49,173	2,885	-	218,350	194,275
Academic services	40,476	11,089	1,020	-	52,585	57,697
Administration and central services	51,720	76,104	6,904	-	134,728	117,645
Premises	11,301	32,706	20,883	5,565	70,455	66,054
Residences, catering and conferences	5,605	7,900	49,878	-	63,383	40,915
Research grants and contracts	54,403	27,127	2,202	-	83,732	76,299
Pensions adjustment	(26,057)	-	-	6,876	(19,181)	132,583
	303,740	204,099	83,772	12,441	604,052	685,468

NOTE 10 INTEREST AND OTHER FINANCE COSTS

GROUP AND UNIVERSITY	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Loan interest	5,551	5,551
Other finance costs	14	14
Net charge on pension schemes	6,876	766
	12,441	6,331

NOTE 11 INTANGIBLE ASSETS

GROUP AND UNIVERSITY	Software £'000	Assets under development £'000	Total £'000
Cost			
As at 1 August 2022	21,007	3,743	24,750
Additions	118	1,229	1,347
Transfer from assets under development	4,162	(4,162)	-
Cost of disposals	(88)	-	(88)
As at 31 July 2023	25,199	810	26,009
Depreciation			
As at 1 August 2022	16,999	-	16,999
Charge for the year	3,419	-	3,419
Disposals	(70)	-	(70)
As at 31 July 2023	20,348	-	20,348
Net Book Value			
At 31 July 2023	4,851	810	5,661
At 31 July 2022	4,008	3,743	7,751

Notes to the Financial Statements

NOTE 12 TANGIBLE FIXED ASSETS

GROUP AND UNIVERSITY	Land and buildings		Service concession arrangement (Note 14) £'000	Equipment £'000	Assets under construction £'000	Total £'000
	Freehold £'000	Long Leasehold £'000				
Deemed Cost						
At 1 August 2022	706,191	116,653	26,725	115,283	12,482	977,334
Additions	-	-	28,878	7,463	26,971	63,312
Disposals	-	-	(26,725)	(2,166)	-	(28,891)
Transfers from assets under construction	5,311	559	-	3,643	(9,513)	-
At 31 July 2023	711,502	117,212	28,878	124,223	29,940	1,011,755
Depreciation						
At 1 August 2022	141,388	24,619	-	81,162	-	247,169
Charge for the year	19,610	3,510	26,725	9,097	-	58,942
Impairment*	20,917	-	-	-	494	21,411
Disposals	-	-	(26,725)	(1,998)	-	(28,723)
At 31 July 2023	181,915	28,129	-	88,261	494	298,799
Net book value						
At 31 July 2023	529,587	89,083	28,878	35,962	29,446	712,956
At 31 July 2022	564,803	92,034	26,725	34,121	12,482	730,165

* Impairment of freehold buildings relates to outsourcing the development and operations of residences at Birks Grange and Clydesdale to a 3rd party provider. The properties will be in use for 23/24 academic year but will be out of use thereafter, whilst building works are underway. Impairment recognised is equal to the carrying value of the residences at the end of 2024 financial year.

Review of assets under construction for continued viability identified project costs associated with the student residences as no longer economically viable due to delays in 2022/23 with obtaining the planning consents. Costs of the project were impaired.

- At 31 July 2023, freehold land and buildings included £87.2m (2022: £87.2m) in respect of freehold land which is not depreciated.
- Included in the cost of freehold land and buildings is £1.1m (2022: £1.1m) bank loan interest paid that has been capitalised. This has been calculated at the loan interest rate of 5.88%. These finance costs are directly attributable to the construction of student residences and were capitalised as part of the cost of those assets whilst they were in the course of construction. There has been no capitalisation of interest payable in the current or prior years.
- Upon transition to FRS102 tangible fixed assets were valued at deemed cost following a valuation performed by the external Chartered Surveyors, Jones Lang LaSalle, as at 31 July 2014 on the basis of existing use or depreciated replacement cost according to the nature and use of each building. This valuation was prepared in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors. No further revaluations of tangible fixed assets will occur, with the exception of investment properties (Note 15) and heritage assets (Note 13).
- Long leasehold land and buildings are comprised of the University owned buildings on the Penryn Campus, which were acquired under a 125-year lease (105 years remaining), Engineering Research Centre on the Exeter Science Park site and the Research, Innovation, Learning and Development ("the RILD") buildings on the Royal Devon and Exeter Hospital (Wonford) site in Exeter, which was completed in 2013/14. The RILD buildings are held under a finance lease arrangement which has been fully paid in advance.

A finance lease liability and the equivalent prepayment have been included on the Statement of Financial Position in relation to the RILD building on the following basis:

Note	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Debtors: Amounts falling due within one year	17	134
Debtors: Amounts falling due after more than one year	17	15,258
Creditors: Amounts falling due within one year	19	(134)
Creditors: Amounts falling due after more than one year	20	(15,392)

Of the amounts falling due after more than one year, £133k is due within one to two years, £400k is due within two to five years, and £14,725k is due after more than five years. (2022: £133k; £400k; £14,859k respectively).

Notes to the Financial Statements

NOTE 13 HERITAGE ASSETS

Group and University	Special Collections £'000	Fine Art Collection £'000	Total £'000
Cost/Valuation			
As at 1 August 2022	3,259	5,986	9,245
Additions	-	42	42
As at 31 July 2023	3,259	6,028	9,287

History of heritage assets

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Year-ended 31 July					
Acquisition of heritage assets	-	1	-	-	78
Donated heritage assets	42	-	-	-	9
Revaluation surplus	-	156	-	(5)	1,847

Library special collection

Special Collections manages unique and distinct collections of archives, manuscripts and rare books. The collections are used extensively in University teaching and research programmes across a range of disciplines and are particularly strong in twentieth-century literary papers by writers associated with the Southwest of England, Arab and Islamic Studies, religious archive, and book collections.

Fine art and furniture collection

The University has a collection ranging from paintings, prints and drawings to sculpture and silverware. The University has a collection of sculpture across Streatham Campus by distinguished artists such as Barbara Hepworth, Paul Mount and Michael Ayrton.

Both the library and fine art collection were professionally valued as at 31 July 2022 by external Fine Art Auctioneers and Valuers, Messrs. Bearnés Hampton and Littlewood, on an open market value basis.

Bill Douglas Cinema Museum

The Bill Douglas Cinema Museum holds a collection of books, prints, artefacts and ephemera relating to the history and pre-history of cinema. The initial collection was donated to the Exeter University Foundation in 1994 but since then other collections have also been donated, bringing total number of items to over 86,000. No value is reported in the Group's Statement of Financial Position as no reliable cost or valuation can be attributed to this unique and irreplaceable collection. These assets are managed by the curator and his staff to ensure their cataloguing, safe keeping and preservation and are insured against accidental damage or loss at the University's expense. The museum was opened to the public in 1997 and is free of charge.

NOTE 14 SERVICE CONCESSION ARRANGEMENTS

A service concession arrangement is a contract entered into by the University with a private sector entity in order to construct, operate and maintain infrastructure assets for a specified period of time. Such agreement requires a private sector entity to provide services on behalf of the University.

The University has three service concession arrangements with University Partnerships Programme Limited (UPP) for the development and operation of student residential accommodation services. These facilities were complete and available at the start of 2022/23 academic year.

Service concession arrangement	Contract starts	Contract length	Number of rooms available	Number of rooms nominated for 2023/24	Minimum lease payment £'000
Birks, Duryard, Lafrowda, St Germain's and Rowe residences	September 2009	42 years	2,569	2,569	17,951
Spreyton and Moberley residences	June 2018	52 years	382	382	2,616
East Park residences	January 2019	52 years	1,182	1,182	8,311

The assets and liabilities relating to these contracts are recognised on the University's Statement of Financial Position to the extent that the University is required to fulfil nomination commitments by 31 January each year for the following academic year. This requires the University to pay for the nominated rooms in the following financial year only. Therefore, assets and liabilities relating to the service concession arrangements are recognised to the extent of the present value of the guaranteed minimum payment, being the rentals for the rooms nominated in each academic year. There is no provision for occupancy guarantee in the contracts. In the normal course of business, student rental income is expected to fund the University's obligation for the minimum lease payment to UPP. At the end of the contract term the buildings will revert to the University.

Service Concession Arrangement assets

The asset value of the service concession in the Statement of Financial Position as at 31 July 2023 is £28.9m (2022: £26.7m).

Service Concession Arrangement liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2023 were £28.9m (2022: £26.7m), representing the present value of lease obligations for the following academic year.

Future Commitments

The following table analyses the University's future commitments in relation to service concession arrangements:

	Payable within 1 year £'000
Liability repayments	28,845
Service charge	33
	28,878

Notes to the Financial Statements

NOTE 15 NON-CURRENT INVESTMENTS

	Endowment Funds invested £'000	Investment Property £'000	Subsidiary companies £'000	Other investments £'000	Total 2023 £'000	Total 2022 £'000
Group						
At 1 August 2022	46,431	1,837	-	531	48,799	48,429
Paid in	-	-	-	-	-	1,298
Investment income	1,155	-	-	-	1,155	1,010
Fees	(156)	-	-	-	(156)	(170)
Transfer to Tangible Fixed Assets	-	-	-	-	-	802
Disposal	-	-	-	(100)	(100)	-
Revaluation (loss)/gain	(3,047)	31	-	-	(3,016)	(2,570)
	(2,048)	31	-	(100)	(2,117)	370
At 31 July 2023	44,383	1,868	-	431	46,682	48,799
University						
At 1 August 2022	46,431	1,837	210	531	49,009	48,631
Paid in	-	-	-	-	-	1,306
Investment income	1,155	-	-	-	1,155	1,010
Fees	(156)	-	-	-	(156)	(170)
Transfer to Tangible Fixed Assets	-	-	-	-	-	802
Disposal	-	-	(60)	(100)	(160)	-
Revaluation (loss)/gain	(3,047)	31	-	-	(3,016)	(2,570)
	(2,048)	31	(60)	(100)	(2,177)	378
At 31 July 2023	44,383	1,868	150	431	46,832	49,009

Endowment Funds

The University holds an investment portfolio to invest part of its [endowment funds](#), which are managed in line with the [University Investment Policy](#). The investment objective of endowment funds is to achieve an absolute rate of return that is deemed achievable in the market place and sufficient to fulfil the charitable objectives of the donation, taking into account risks and any requirements to preserve capital. For more details on the endowment funds see Note 23.

Investment Property

The University holds investment property where buildings are held to earn external rental income. Where premises are occupied by subsidiary companies, these assets are not included as investment property at a consolidated level and are included within tangible fixed assets instead (Note 12).

Notes to the Financial Statements

NOTE 15 NON-CURRENT INVESTMENTS (continued)

Subsidiary companies

The investments in subsidiary undertakings, as consolidated in the Financial Statements, comprise the following:

Directly owned Indirectly owned	Group Holding	Shareholding	Principal business activity
Exeter ISC Limited	100%	100 Ordinary £1 and 149,900 Redeemable preference £1	Holding company of INTO University of Exeter LLP
ERBS Trustee Limited	100%	1 Ordinary £1	Dormant company

All the above companies are registered in England and Wales.

The activities of The Exeter University Foundation (“the Foundation”), a registered charity, are consolidated on the grounds that the University has a controlling influence over its activities. From 2015/16 the University is the sole corporate trustee of the Foundation. The Foundation supports the collections of The Bill Douglas Cinema Museum. It does not actively solicit donations but will accept donations from those who prefer to donate to the Foundation rather than the University. The Foundation shares a year-end of 31 July with the University.

Other investments

Other investments of the University are comprised of the following:

Name	Holding
Attomarker Limited	765 Ordinary £0.01 shares
Biosystems Technology Limited	270 Ordinary £0.50 shares
BuildSolar Limited	7,146 Ordinary £0.01 shares
Concrete Ltd	2,350 Ordinary £0.01 shares
Cotton Mouton Diagnostics Limited	550,531 Ordinary £0.01 shares
DigiLab Solutions Limited	910 Ordinary £0.0001 shares
Disigi Limited	12 Ordinary £1 shares
Encortec Limited	1,850 Ordinary £0.01 shares
FSD Active	2,105 Ordinary £0.01 shares
Full Scales Dynamics Limited	1,600 Ordinary £1 shares
Health Behaviour Group	Limited by guarantee
Industrial Tomography Systems Plc	249,564 Ordinary £0.01 shares
Isca Diagnostics Limited	2,500 Ordinary £1 shares
MAXLLG	200 Ordinary £0.01 shares
Minviro Ltd	54,478 Ordinary £0.00001 shares
MitoRx Therapeutics Limited	885,700 Ordinary £0.0001 shares
Neuronostics Ltd	243,700 Ordinary £0.0001 shares
One Health Ventures Ltd	500,050 Ordinary £0.01 shares
Quanterra Systems Limited	13,000 Ordinary £0.01 shares
Quest Genetics Limited	2,112 Ordinary £0.01 shares
Senisca Ltd	26,399 Ordinary £0.001 shares
Senseful AI	175 Ordinary £0.01 shares
Trireme Systems Limited	59,220 Ordinary £1 shares
TTL Holdings Limited	1,583 Ordinary £1 shares
VM Agritech (former Myco Sciences Ltd)	125 Ordinary £1 shares

These are all minority shareholdings whereby the University does not have significant influence or control over the companies.

The University holds 67,536 Ordinary £10 shares in Exeter Science Park Ltd. The shares are held at nil value, reflecting the uncertainty and remoteness of a return on investment. The development of the Science Park is being funded in part from the Heart of the Southwest Local Enterprise Partnership loan facility. For further details on the loan see Note 27.

Notes to the Financial Statements

NOTE 16 INVESTMENT IN JOINT VENTURES

Falmouth Exeter Plus Ltd Group (FX+ Ltd)

FX Plus Ltd is a joint venture company with two members - the University and Falmouth University. It is a company limited by guarantee without share capital. FX Plus Ltd has been established to provide student accommodation, student support and commercial services for the Penryn, Falmouth and Truro campuses, occupied by the University and Falmouth University. FX Plus has exempt charity status owing to the educational objectives of the university partners which it supports.

Tremough Development Vehicle Limited (TDV Ltd) is a wholly owned subsidiary of FX Plus Ltd. It was established to provide the construction of the main campus for the University and Falmouth University.

Cornwall Plus Limited is a wholly owned subsidiary of FX Plus Ltd. It was established to operate non-student letting of residences, non-academic conferences, external events and corporate hospitality. It commenced trading on 1 August 2013.

FX Plus Ltd, TDV Ltd and Cornwall Plus Ltd have financial years that end on 31 July.

INTO University of Exeter LLP

INTO University of Exeter LLP is a limited liability partnership between Exeter ISC Limited, a wholly owned subsidiary of the University, and INTO Exeter Limited, a wholly owned subsidiary of INTO University Partnerships Limited. Its principal place of business is INTO Building, Stocker Road, Exeter, EX4 4PY. INTO University of Exeter LLP was formed in December 2006 and operates from the University of Exeter's Streatham campus. Its principal activity is the provision of pre-university academic and language courses, primarily to non-EU and non-UK students.

Exeter ISC Limited and INTO University of Exeter LLP have financial years that end on 31 July.

CREWW Executive Board Limited

CREWW Executive Board Limited (CREWW) is a joint venture company with two members - the University and South West Water Limited. CREWW has been established to consider the decisions of The Exeter Centre for Water, Waste and Environmental Resilience the aim of which is to establish and deliver a joint international centre of excellence in the field of environmental resilience in the waste and water sector and successfully run an innovative, market leading programme around the centre. CREWW is a non-trading company with £2 Ordinary shares in issue split equally between two members.

Jointly controlled entities

CREWW, FX Plus Ltd and INTO University of Exeter LLP arrangements are jointly controlled entities and are accounted for using the gross equity method, such that 50% of each company's net equity (gross assets less gross liabilities) is included in the consolidated Statement of Financial Position of the University and 50% of their net income is reported in the University's consolidated income and expenditure account.

Both INTO University of Exeter LLP and Exeter ISC Limited have entered into a gift aid arrangement to distribute surpluses arising on their activities to the University and joint venture partners accordingly.

		Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Share of operating surplus/ (deficit)	FX +	(374)	78
	INTO	840	990
		466	1,068
Share of total comprehensive income	FX +	1,862	11,323
	INTO	840	990
		2,702	12,313
Share of gross assets	FX +	37,927	39,572
	INTO	8,543	7,487
		46,470	47,059
Share of gross liabilities	FX +	(20,172)	(23,679)
	INTO	(8,635)	(7,918)
		(28,807)	(31,597)
Share of net assets/(liabilities)	FX +	17,755	15,893
	INTO	(92)	(431)
		17,663	15,462

Notes to the Financial Statements

NOTE 17 TRADE AND OTHER RECEIVABLES

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Amounts falling due within one year				
Accrued research grant income	28,461	28,242	28,461	28,242
Prepayments	22,231	27,472	22,231	27,443
Other receivables	28,177	19,781	28,177	19,770
Amounts due from subsidiary companies	-	-	67	46
	78,869	75,495	78,936	75,501
Amounts falling due after one year				
Lease prepayment	17,017	17,263	17,017	17,263
Total	95,886	92,758	95,953	92,764

Amounts due from subsidiaries are repayable on demand with no interest charged.

NOTE 18 CURRENT ASSET INVESTMENTS

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Short-term deposits	30,415	25,000	30,415	25,000
Other short-term investments	5,141	14,823	5,141	14,823
	35,556	39,823	35,556	39,823

Short term deposits are held with banks and building societies operating in the UK financial market and authorised by the Financial Conduct Authority with greater than three months but less than twelve months maturity at the Statement of Financial Position date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2023, the weighted average interest rate of these fixed rate deposits was 5.10% (31 July 2022: 1.47%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 182 days (31 July 2022: 140 days).

Other short-term investments include interest bearing notice bank accounts, certificates of deposit, floating rate notes and corporate bonds with greater than three months maturity but less than 12 months at the Statement of Financial Position date.

Notes to the Financial Statements

NOTE 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Other payables	18,556	11,585	18,128	11,585
Obligations under finance leases	867	867	867	867
Trade payables	31,448	29,435	31,445	29,434
Service Concession Arrangement	28,878	26,725	28,878	26,725
Social security and other taxation payable	8,096	9,376	8,096	9,376
Accruals and deferred income	32,537	38,121	32,976	38,115
Research grants received on account	54,515	57,016	54,515	57,016
	174,897	173,125	174,905	173,118

NOTE 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Bank loans	209,595	209,580	209,595	209,580
Obligations under finance lease	15,258	15,392	15,258	15,392
Deferred income	36,957	37,688	36,957	37,688
Other creditors	97	130	97	130
	261,907	262,790	261,907	262,790

Deferred income represents premium receipts from a few service concession arrangements that are released to the Statement of Comprehensive Income over the life of contract. There is no contractual or constructive obligation to repay these receipts.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Analysis of bank loans Group and University		
Due in five or more years	209,595	209,580
Total secured and unsecured loans	209,595	209,580

Notes to the Financial Statements

NOTE 20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Included within the total balance above is the following:

Lender	Facility £'000	Interest Rate %	Repayment	Maturity	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Northwestern Mutual Life	35,000	2.58	Bullet	2038	34,937	34,935
Pricoa Capital Group	60,000	2.61	Bullet	2043	59,886	59,881
Pricoa Capital Group	90,000	2.68	Bullet	2048	89,821	89,816
Macquarie Investment Management	25,000	2.68	Bullet	2048	24,951	24,948
					209,595	209,580

In January 2018 the University issued Loan Notes of £210m to three lenders at fixed interest rates. Transaction fees of £482k are being amortised over the duration of the Loan Notes and charged to Other Finance costs.

All borrowings are unsecured but include a negative pledge obligation to each lender, whereby the University has agreed not to grant security over its assets to third parties.

In November 2017, the University entered into a 7-year £50m revolving credit facility with Barclays Bank. No drawings from the facility have been made during the year.

NOTE 21 ANALYSIS OF CHANGES IN NET DEBT

Group	At 1 August 2022 £'000	Cash flow in year £'000	Change in creditor £'000	At 31 July 2023 £'000
Cash and cash equivalents	137,035	12,949	-	149,984
Current asset investments	39,823	(4,267)	-	35,556
	176,858	8,682	-	185,540
Bank loan and borrowings				
Due within 1 year	-	-	-	-
Due after 1 year	(209,580)	-	(15)	(209,595)
	(209,580)	-	(15)	(209,595)
	(32,722)	8,682	(15)	(24,055)

Notes to the Financial Statements

NOTE 22 FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial instruments included within the Statement of Financial Position are presented in the table below:

Financial instruments	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Financial assets				
<i>Financial assets at fair value through Statement of Comprehensive Income</i>				
Listed investments	44,383	46,431	44,383	46,431
Investment properties	1,868	1,837	1,868	1,837
Investment in joint venture	17,663	15,462	-	-
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	431	531	431	531
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash and cash equivalents	149,984	137,035	149,798	136,731
Investments	35,556	39,823	35,556	39,823
Other debtors	56,638	48,023	56,705	48,058
Financial liabilities				
<i>Financial liabilities measured at amortised cost</i>				
Loans	209,595	209,580	209,595	209,580
Service concessions	28,878	26,725	28,878	26,725
Finance leases	16,125	16,259	16,125	16,259
Trade payables	31,448	29,435	31,445	29,434
Other creditors	97	130	97	130

Listed investments are the University's endowment funds invested in securities actively traded on the Stock Exchange and regularly valued at open market value and fixed income instruments such as bonds determined using quoted prices.

Investment properties are valued annually by an accredited professional valuer on the basis of the open market value for their existing use or depreciated replacement cost. The assumptions applied in determining fair value are:

- All buildings are materially sound;
- No alterations have been made that the valuers are unaware of.

Investments in joint ventures are accounted for using the gross equity method, such that 50% of each company's net equity (gross assets less gross liabilities) is included in the consolidated Statement of Financial Position of the University and 50% of their net income is reported in the University's consolidated Statement of Comprehensive Income.

Notes to the Financial Statements

NOTE 22 FINANCIAL INSTRUMENTS (continued)

Nature and Extent of Risks Arising from Financial Instruments

The University's activities expose it to a variety of financial risks. The Council, alongside its Audit and Risk Committee, oversees the management of these risks by reviewing and agreeing policies and ensuring conformity.

The main risks to the University's activities are presented below.

Credit and Counterparty Risk

Credit and counterparty risk is the risk that a counterparty will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The University is exposed to credit risk from both its primary and ancillary activities and financial activities, including deposits with banks and financial institutions.

Outstanding receivables are regularly monitored. The maximum exposure to credit risks at the reporting date is the carrying value of each class of financial asset.

The risk applicable to financial activities is minimised through the investment strategy, and more specifically by the defined lending counterparty criteria, which sets out the principles with which potential counterparties' creditworthiness is judged. Such principles take account of counterparty ratings by the three major ratings agencies: Fitch, S&P and Moody's; with the lowest long-term rating of the three being used. Limits are set on the amount that can be invested with each financial institution based on ratings, group structure and duration. Short term deposits and current account balances are typically with banks and financial institutions who are committed lenders to the institution.

The lending counterparty criteria are proposed and approved regularly, incorporating any changes in financial institutions or developments in the wider political, economic, or legal environment.

A range of indicators are used to assess counterparties' creditworthiness, not just credit ratings. Among other indicators that are taken into account are:

- Credit default swaps and spreads;
- Likelihood and strength of parental support;
- Government guarantees and support;
- Market information on corporate developments and market sentiment towards the counterparties and sovereigns.

Liquidity/Refinancing Risk

Liquidity risk arises from the University's management of working capital, the finance charges and principal repayment on its borrowings. It is the risk that the University will encounter difficulty in meeting its financial obligations as they fall due. The University's objective is to ensure it has sufficient available funds for its operations and to fund its capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows, ensuring it has appropriate levels of cash and borrowing facilities to meet liabilities as they fall due.

Within the treasury management function, a comprehensive cash flow management system is operated to ensure that cash is available as needed. Cash investments are made based on forecasting the cash requirement for operational and capital spending. Short-term money market deposits are made with suitable counterparties, and notice accounts or money market funds are used.

A revolving credit facility of £50m is retained which can be drawn to mitigate the effects of any unexpected cash movements.

We conduct regular covenant analysis on a forward-looking basis with our latest financial forecast and budgets.

Market Risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices, including but not limited to changes triggered by fluctuation of interest rates. The financial instruments held by the University that are affected by market risk are principally cash balances, borrowings, and endowment funds.

Private placement borrowings have fixed interest rates applicable for the entire term of borrowings and therefore its exposure to a market risk is minimal.

Endowment funds are invested with an investment manager who ensures diversification and acts within the University's investment policy. The funds are placed on a nominee account opened in the name of the University. Compliance with the investment policy and performance of the investments is monitored regularly.

The University monitors its interest rate exposure on all cash balances. The University seeks to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests and will accordingly seek to protect itself from the effects of such fluctuations. The overriding principals guiding the investment and deposit of surplus cash is the safeguarding and preservation of the principal investment.

The University seeks to optimise investment returns commensurate with its objectives of security and liquidity.

Foreign Exchange Risk

Bank accounts held are denominated in Sterling, Euros and Dollars. Foreign currency invoices are raised predominantly in Euro or Dollar. By holding Euro and Dollar denominated accounts exchange rate risk exposure is mitigated. Receipts in foreign currency in excess of scheduled respective currency payments are converted in Pound Sterling - the University's functional currency.

Notes to the Financial Statements

NOTE 23 ENDOWMENT RESERVES

Group	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2023 Total £'000	2022 Total £'000
Balances at 1 August:					
Capital / Original Gift	9,714	2,017	18,835	30,566	28,673
Accumulated income / Unapplied Total return	15,864	1,052	1,212	18,128	20,874
	25,578	3,069	20,047	48,694	49,547
New endowments	3	104	6,581	6,688	5,482
Investment income	627	77	464	1,168	1,010
Expenditure	(2,169)	(10)	(2,787)	(4,966)	(4,689)
(Decrease)/increase in market value of investments	(1,637)	(211)	(1,199)	(3,047)	(2,656)
Transfer from donations	-	57	-	57	-
Transfer from unrestricted reserves	-	-	83	83	-
Total endowment comprehensive (loss)/income for the year	(3,176)	17	3,142	(17)	(853)
Balances at 31 July	22,402	3,086	23,189	48,677	48,694

Represented by

Capital / Original Gift	9,717	2,121	24,107	35,945	12,943
Accumulated income / Unapplied Total return	12,685	965	(918)	12,732	35,751
	22,402	3,086	23,189	48,677	48,694

University	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2023 Total £'000	2022 Total £'000
Balances at 1 August:					
Capital / Original Gift	9,714	2,017	18,835	30,566	28,673
Accumulated income / Unapplied Total return	15,864	1,052	1,212	18,128	20,874
	25,578	3,069	20,047	48,694	49,547
New endowments	3	104	6,581	6,688	5,482
Investment income	627	77	464	1,168	1,010
Expenditure	(2,169)	(10)	(2,787)	(4,966)	(4,689)
(Decrease)/increase in market value of investments	(1,637)	(211)	(1,199)	(3,047)	(2,656)
Transfer from donations	-	57	-	57	-
Total endowment comprehensive (loss)/income for the year	(3,176)	17	3,059	(100)	(853)
Balances at 31 July	22,402	3,086	23,106	48,594	48,694

Represented by

Capital / Original Gift	9,717	2,121	24,024	35,862	12,943
Accumulated income / Unapplied Total return	12,685	965	(918)	12,732	35,751
	22,402	3,086	23,106	48,594	48,694

Notes to the Financial Statements

NOTE 23 ENDOWMENT RESERVES (continued)

Analysis by asset:	£'000	£'000
Under management by Rathbone Greenbank	44,383	46,431
Cash managed by University	1,896	2,263
Cash managed by EU Foundation	83	-
Cash pending receipt	2,315	-
	48,677	48,694
Analysis by type:		
Institute for Arab and Islamic Studies	15,372	18,226
Exeter Forever Fund	3,086	3,069
Sir Steve Smith Scholars Fund	1,178	1,168
Devon Research Scholarships	1,030	1,079
Special Collections	906	950
Other permanent funds	3,916	4,155
Total Permanent Funds	25,488	28,647
Anglo American Research Programme in Mining Innovations	3,470	-
Fozzard Medical Students Bursary Fund	2,443	3,035
HRH Prince Al-Waleed Al Saud Awards	1,441	1,666
Ines Barroso Fund	1,277	1,415
John Oldacre Foundation	913	1,049
Other expendable endowments	13,645	12,274
Total Expendable Funds	23,189	20,047

Permanent funds descriptions

- The Institute for Arab and Islamic Studies (IAIS) Fund provides financial support for academic chairs within the Institute.
- The Exeter Forever Fund is a permanent unrestricted endowment. All legacies donated to the University (except those with specific restrictions) are allocated to the Exeter Forever Fund.
- The University hold funds for research scholarships for specific awards for residents of Devon and Cornwall. Sir Steve Smith Scholars Fund supports widening participation scholars across all faculties.
- The Special Collections fund is held to fund future additions to the Heritage Asset investments.
- The remaining permanent funds comprise 77 separate funds that are used for scholarships, prizes and general educational support.

Expendable funds descriptions

- Funding from Anglo American was received to establish the research programme in mining innovation at the Camborne School of Mines. The research programme will combine the study of mining engineering with environmental and social sciences and include interdisciplinary and policy-related work.
- Fozzard Medical Students Bursary Fund supports scholarship and bursary awards within University of Exeter Medical School.
- The HRH Prince Al-Waleed Al Saud scholarships are for IAIS students who are citizens of countries outside the Arab world. The scholarships are intended to support IAIS students in their University of Exeter assessments, by contributing to the cost of visiting Arab countries to undertake a recognised Arabic language course, or undertake research for a dissertation.
- Ines Barroso Fund supports of epidemiology work carried out by Professor Ines Barroso.
- John Oldacre Foundation gift of £1m was received for funding John Oldacre Foundation research fellow between 2019 and 2023 with subsequent creation of a permanent endowment fund for funding PhD students.
- The remaining expendable funds are comprised of 327 separate restricted funds which were donated for a specified purpose, with no obligation to retain capital.

NOTE 24 UNRESTRICTED RESERVES

	GROUP		UNIVERSITY	
	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Income and expenditure reserve				
Balances at 1 August	360,071	446,203	357,611	454,967
Surplus/(deficit) from the income and expenditure statement	26,398	(99,359)	26,537	(99,339)
Other comprehensive (expenditure)/income	(7,397)	13,227	(9,633)	1,983
Transfers between reserves	325	-	-	-
Total comprehensive income/(expenditure) for the year	19,326	(86,132)	16,904	(97,356)
Balances at 31 July	379,397	360,071	374,515	357,611

NOTE 25 REVALUATION RESERVE

	GROUP			2023 Total £'000	2022 Total £'000
	Freehold land and buildings £'000	Heritage assets £'000	Non-current investments £'000		
Balances at 1 August	13,343	8,836	86	22,265	22,023
Revaluation in year	-	-	31	31	242
Transfers from revaluation to general reserve	(408)	-	-	(408)	-
Depreciation on re-valued assets	-	-	-	-	-
Total reserve movement for the year	(408)	-	31	(377)	242
Balances at 31 July	12,935	8,836	117	21,888	22,265

	UNIVERSITY			2023 Total £'000	2022 Total £'000
	Freehold land and buildings £'000	Heritage assets £'000	Non-current investments £'000		
Balances at 1 August	-	9,096	86	9,182	8,940
Revaluation in year	-	-	31	31	242
Total reserve movement for the year	-	-	31	31	242
Balances at 31 July	-	9,096	117	9,213	9,182

Notes to the Financial Statements

NOTE 26 CAPITAL COMMITMENTS

Group and University	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Commitments contracted at 31 July	14,775	18,217
Authorised but not contracted at 31 July	94,364	22,328
Total	109,139	40,545

Capital commitments will be funded by a mixture of grants, loans, donations, and internal working capital.

NOTE 27 FINANCIAL COMMITMENTS

Operating Leases	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Expiring within one year	648	439
Expiring between two and five years	1,025	368
Expiring in more than five years	1,309	-
Total	2,982	807

Provisions	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Exeter Science Park Ltd guarantee	-	2,648
Overseas tax uncertainties provision	1,209	1,009

The Heart of the Southwest Local Enterprise Partnership (LEP) has provided a loan facility to Exeter Science Park Limited (ESPL) for the development of the Science Park Centre. The University, jointly with Devon County Council, has provided a loan guarantee facility for up to 50% of the debt outstanding on the loan expiration date. The University has prudently provided for this guarantee to be called upon, setting aside the full guaranteed amount in the event that the University is required to fund its repayment to the LEP. The liability becomes payable on 31 October 2023 and as such has been transferred to short-term creditors. The amount provided for is based on the likelihood of interim loan repayments by ESPL to the LEP, according to their Business Plans, discounted to present value.

Other Liabilities

In addition to the liabilities recognised in these Financial Statements, the University also has financial guarantees and commitments with third parties which are not quantified as the likelihood of them being realised is remote. The two key commitments in place as at 31 July 2023 are:

- The University acts as guarantor, jointly with Falmouth University, on the FX Plus Ltd bank loans.
- The University underwrites the rental income charged to INTO University of Exeter LLP for the use of academic buildings.

NOTE 28 PENSION SCHEMES

Different categories of staff were eligible to join one of five different schemes:

- Universities' Superannuation Scheme (USS)
- University of Exeter Retirement Benefits Scheme (ERBS)
- University of Exeter Retirement Savings Scheme (ERSS)
- National Employer Savings Trust Pension Scheme (NEST)
- National Health Service Pension Scheme (NHSPS)

The two schemes, being USS and ERBS, are both defined-benefit schemes contracted out of the State Second Pension (S2P), the assets of which are held in separate trustee administered funds. The ERBS scheme closed to new entrants and to further benefits to existing members on 30 November 2016.

ERSS are defined contribution pension arrangement which was open to all staff on grades B-D on 30 November 2016.

NEST is a money purchase scheme contracted into the State Second Pension (S2P), which covers workers who are not already members into an appropriate pension scheme.

(i) NHS Pension Scheme

The University of Exeter is classified as a "Directions Employer" regarding the NHSPS and as such can offer continued membership of the scheme to some members of staff as long as they fulfil the required criteria. The NHSPS is a multi-employer defined benefit scheme which is contracted out of the S2P. The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permit individuals who on 1 April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections).

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The employer contribution rate payable from April 2019 is set to 20.6% of the total pensionable salary, in accordance with the conclusion of the Government Actuary's report on the scheme.

Notes to the Financial Statements

NOTE 28 PENSION SCHEMES (continued)

Costs for the schemes, included in the Statement of Comprehensive income, were:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Pension Contributions		
USS	31,071	34,121
ERSS	2,824	2,392
ERBS scheme expenses	640	602
Other pension schemes	308	1,245
Total in Staff Costs	34,843	38,360
Repayment of USS scheme deficits	12,509	4,346
Repayment of ERBS scheme deficits	3,028	1,962
Total pension schemes costs	50,380	44,668

(ii) Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits, as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total reduction of the liability attributable to USS of £31.6m (2022: increase £128.2m) is reflected in the Consolidated Statement of Comprehensive Income.

The 2020 valuation was the sixth valuation for USS 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. The scheme's value at the valuation date is presented in the table below:

Scheme Assets and Liabilities	2020 valuation	2018 valuation
Total scheme assets	£66.5bn	£63.7bn
Total scheme liabilities	£80.6bn	£67.3bn
FRS 102 total scheme deficit	£14.1bn	£3.6bn
FRS 102 total funding level	83%	95%

Deficit recovery contributions due within one year for the institution are £14.0m (2022: £12.2m).

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method.

Key Sources of Estimation Uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors and may pose a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Determining the liability for future contributions requires an estimation of the present value of future cash flows which depends on the percentage of contributions which will be attributed to deficit elimination along with future salary inflation and the identification of a suitable discount rate.

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

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

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 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

Notes to the Financial Statements

NOTE 28 PENSION SCHEMES (continued)

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	5.52%	3.31%
Pensionable salary growth:		
Year 1	7.00%	4.18%
Year 2	6.00%	8.00%
Year 3	5.00%	8.00%
Year 4	4.18%	6.00%
Year 5-17	4.18%	4.18%

The employers' contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.1%
1 October 2021 to 31 March 2022	21.4%
1 April 2022 to 31 March 2024	21.6%
1 April 2024 to 30 April 2038	21.4%

Sensitivity analysis

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

Change in assumptions at 31 July 2023	Impact: increase/(decrease) of USS provision £'000
0.5% p.a. decrease in discount rate	6,662
0.5% p.a. increase in salary inflation over duration	6,673
0.5% p.a. increase in salary inflation year 1 only	838
0.5% increase in staff changes over duration	6,605
0.5% increase in staff changes year 1 only	866

(iii) University of Exeter Retirement Benefit Scheme (ERBS)

The University operated a final salary defined benefit pension scheme that certain employees of the University could participate in, called the University of Exeter Retirement Benefit Scheme. The Scheme is closed to future accrual in November 2016. A replacement defined contribution scheme, the University of Exeter Retirement Savings Scheme (ERSS) was effective from 1 December 2016.

The funding policy of the scheme is to hold assets which are at least equal to the technical provisions calculated at each triennial valuation. The last triennial actuarial valuation of the ERBS scheme was performed as at 5 April 2021 by a professionally qualified actuary. The valuation shows that the scheme deficit was £25.2 million,

representing a funding level of 85%, compared to a deficit of £21m and funding level of 86% at the 2018 valuation. A revised recovery plan resulted in deficit contributions increasing by £0.75m per year between 1 January 2022 and 31 December 2024 and then further £1.05m from 1 January 2025 to 31 December 2027.

The deficit recovery plan aims to eliminate the scheme deficit by 31 December 2027.

In 2020-21, the University has updated the methodology used to derive the CPI inflation assumption in light of the RPI reform proposals published on the 4th September 2019 by the UK Chancellor of the Exchequer and UK Statistics Authority. The best estimate RPI-CPI wedge applied when setting the CPI assumptions has been updated from 0.6% to 0.7%.

In previous year, the University has updated the methodology used to derive the RPI inflation assumption, in particular, the methodology used to set the market break even RPI inflation rate has been updated from a spot rate to a single equivalent approach, and the inflation risk premium applied to this market break even RPI inflation rate has been updated from 0.4% to 0.2%.

The University has also changed the model used to derive the pension increase assumptions.

The financial assumptions used to calculate scheme liabilities under FRS 102 as at 31 July are:

	2023	2022
Discount rate	5.0%	3.3%
Inflation assumption (RPI)	3.2%	3.4%
Inflation assumption (CPI)	2.7%	2.8%
Pension payment increase for ERBS members – pre 01/08/10	2.7%	2.8%
Pension payment increase for ERBS members – post 01/08/10	2.1%	2.1%

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used:

	2023 valuation	2022 valuation
Mortality base table	105% of S3PMA for males and females	105% of S3PMA for males and females
Scaling factor applied to base mortality rates	Deferred members: 115% (male) and 110% (female) Pensioner Members: 105% (male) and 100% (female)	Deferred members: 115% (male) and 110% (female) Pensioner Members: 105% (male) and 100% (female)
Mortality projection basis	CMI_2022 (Core) projection model, with 1% long term trend improvements	CMI_2021 (Core) projection model, with 1% long term trend improvements

The mortality rates are based on publicly available mortality tables for the UK. Covid has caused a short-term increase in deaths in the UK but the excess deaths have not generally had a material impact on UK pension scheme liabilities. The future impact of Covid long term mortality improvement is uncertain with potentially adverse implication of adverse medical interventions and long Covid, with potentially positive implications if the surviving population is less frail or the pandemic causes improved healthcare initiatives and lifestyle choices. Overall, we believe currently that there is insufficient evidence to require an explicit adjustment to the mortality assumptions for Covid.

Notes to the Financial Statements

NOTE 28 PENSION SCHEMES (continued)

Years from date of retirement:	2023	2022
Males currently aged 65 years	20.3	20.8
Females currently aged 65 years	23.1	23.6
Males currently aged 45 years	20.5	21.1
Females currently aged 45 years	23.6	24.1

The mortality assumptions have been updated in line with those used for the recently completed actuarial valuation of the scheme. The CMI model used to allow for future mortality improvements has also been updated from the 2021 to the 2022 version. The combined effect of these changes on the defined benefit obligation is negligible.

Whilst the likely long-term effects of the coronavirus pandemic on life expectancy are still unknown, with arguments to support both positive and negative impacts, the CMI have confirmed that the core version of the 2022 model includes a 25% weighting to mortality experience in 2022. Mortality rates in 2022 were less volatile than the previous two years but remained persistently higher in 2022 than in 2019 (pre Covid) and may be indicative of future (post Covid) mortality to some extent. The CMI then plan to apply increased weightings to future years of data as we establish a new 'normal'.

The 2022 core CMI projection model still makes no allowance for mortality experience in 2020 and 2021, so is consistent with last year's approach in that regard.

Scheme assets and expected rate of return for ERBS

The assets in the scheme and the expected rates of return together with the reconciliation of funded status to the Statement of Financial Position were as follows:

		2023		2022
		£'000		£'000
Equities	16.3%	15,461	20.3%	25,680
Government Bonds	77.6%	73,418	78.9%	99,685
Cash / Other	6.1%	5,792	0.8%	1,058
Total		94,671		126,423
Present value of scheme liabilities		(101,779)		(124,418)
Pension (liability)/asset		(7,108)		2,005

Pension asset has not been recognised as such on the Statement of Financial Position, as there is no automatic entitlement to a refund from the scheme.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Actual return on Scheme Assets		
Actuarial (loss)/gain on assets	(11,638)	3,989
Interest income	4,123	2,547
	(7,515)	6,536

Analysis of the amount charged to the Statement of Comprehensive Income

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Scheme expenses	(640)	(602)
Interest income on assets	4,123	2,547
Interest cost on defined benefit obligations	(4,017)	(2,593)

Total charge to Surplus/(Deficit) on Statement of Comprehensive Income

(534) **(648)**

Analysis of movements

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Movement in the scheme surplus/(deficit)		
Opening surplus/(deficit)	2,005	(3,900)
Contributions paid	3,059	2,564
Scheme expenses	(640)	(602)
Interest income on assets	4,123	2,547
Interest cost on defined benefit obligations	(4,017)	(2,593)
Actuarial (loss)/gain	(11,638)	3,989
(Deficit)/surplus on scheme at the end of the year	(7,108)	2,005

Notes to the Financial Statements

NOTE 28 PENSION SCHEMES (continued)

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Movement in the fair value of scheme assets				
Opening fair value of assets	126,423	160,576		
Interest income	4,123	2,547		
Actuarial (loss)/gain on assets	(32,894)	(33,879)		
Employers' contributions	3,059	2,564		
Scheme expenses	(640)	(602)		
Actual benefit payments	(5,400)	(4,783)		
Fair value of assets at the end of the year	94,671	126,423		
			Movement in the present value of ERBS Defined Benefit Obligations	
			124,418	164,476
			4,017	2,593
			(21,256)	(37,868)
			(5,400)	(4,783)
			101,779	124,418

ERBS assets do not include any of the University's own financial instruments, or any property occupied by the University.

NOTE 29 PROVISIONS FOR LIABILITIES

	Provision for USS pension liability £'000	Defined Benefit Obligations on ERBS pension £'000	Total pensions provision £'000	Other provisions £'000	Total provisions 31 July 2023 £'000	Total provisions 31 July 2022 £'000
At 1 August 2022	210,930	-	210,930	3,657	214,587	89,039
Deficit repayments	(12,510)	(2,419)	(14,929)	-	(14,928)	(6,309)
Actuarial loss/(gain)	-	9,633	9,633	-	9,633	(1,983)
2022/23 movement	(26,057)		(26,057)	200	(25,858)	133,074
Transferred to short term creditor	-	-	-	(2,648)	(2,648)	-
Interest on pension liability	6,982	(106)	6,876	-	6,876	766
At 31 July 2023	179,345	7,108	186,453	1,209	187,662	214,587

Pension provisions

The provision for the Universities Superannuation Scheme (USS) liability arises from the contractual obligation with the USS to make payments in accordance with the 2020 deficit recovery plan. In calculating this provision, management have estimated future staff levels for the duration of the contractual obligation, salary inflation and an appropriate discount rate. Key assumptions are set out in Note 28(ii).

Other Provisions

Within the other provision £2.6m transfer relates to the guarantee held over Exeter Science Park Limited. The liability becomes payable on 31 October 2023 and therefore has been recognised in short-term creditors. Remaining provision of £1.2m relates to the overseas tax uncertainties. See Note 27 for more details.

Notes to the Financial Statements

NOTE 30 RELATED PARTY TRANSACTIONS

The University has taken advantage of the exemption not to disclose transactions with subsidiaries that are wholly owned. Included in the table below are transactions with related parties of the University not covered by the exemption.

Year ended 31 July 2023	Recognised Income £'000	Recognised Expenditure £'000	Balance due to/ (from) the University £'000
Applegate Marketplace Ltd	32	2	14
Association of Commonwealth Universities Higher Education & Sustainable Development Goals Network (SDG) Network	2	6	(1)
Academy of Management	-	4	-
Binit Group Limited	-	73	-
Capita PLC	240	-	235
City Science Corporation Limited	31	-	-
Cornwall and Isles of Scilly Local Enterprise	-	-	(1)
Dartington Hall Trust	-	26	-
Diabetes UK	530	-	75
Exeter College	77	122	-
Exeter Northcott theatre	122	1	-
Exeter Rugby Club Ltd	-	122	(42)
Exeter Science Park	-	12	(4)
Falmouth Exeter Plus	30	5,606	(171)
Global City Futures Limited	-	5	-
Heart of the Southwest Local Enterprise Partnership	2	-	-
IDP Connect UK	-	788	1
INTO University Partnerships Limited	212	321	(38)
Kortext	-	893	-
The Law Society	35	4	35
National Centre for Universities and Businesses (NCUB)	-	5	-
National Oceanography Centre	62	217	-
Royal Commission for the Exhibition 1851	1	-	-
Russell Group	-	87	-
Ted Wragg Multi Academy Trust	-	36	-
The Maynard School, Exeter	8	-	-
The Royal Osteoporosis Society	9	-	-
Universities UK	-	91	-
University of Exeter Student Guild	238	2,417	25

This includes members of Council and University Executive Board, as detailed at the front of the accounts. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length under normal market conditions and in accordance with the University's financial regulations and normal procurement procedures, which require individuals to declare any interest.

Year ended 31 July 2022	Recognised Income £'000	Recognised Expenditure £'000	Balance due to/ (from) the University £'000
Advanced HE	-	160	-
Binit Group Ltd	-	209	(27)
City Science Corporation Limited	140	-	7
Cornwall and Isles of Scilly LEP	-	-	(1)
Elsevier The Cell Surface	5	220	7
Exeter City Futures CIC	-	1	-
Exeter College	77	3	41
Exeter Northcott theatre	162	18	-
Exeter Science Park Ltd	213	140	54
FX Plus Ltd	70	12,608	328
Gilead Sciences Research Scholars	151	-	10
Global City Futures Limited	-	6	-
GSK (formerly GlaxoSmithKline) plc	15	-	-
INTO University of Exeter	5	806	133
JISC	-	2,054	(101)
John Wiley & Sons Ltd	-	24	(2)
Kortext	-	632	-
Oxygen House Group Ltd	1	-	-
Royal Devon University Healthcare NHS Foundation Trust	5,262	1,842	1,826
Royal Society University Research Fellowship	22	171	2
Russell Group	-	83	-
South West Institute of Technology	2	-	-
Ted Wragg Multi Academy Trust	-	7	-
The University of Manchester	1,250	212	56
Universities UK	-	74	-
University of Cambridge	647	428	(37)
University of Dundee	35	-	-

Notes to the Financial Statements

NOTE 30 RELATED PARTY TRANSACTIONS (continued)

- Applegate Marketplace Ltd is an award-winning AI procurement platform that matches customers with the best suppliers for their purchasing needs. One council member is a director.
- Association of Commonwealth Universities Higher Education & (SDG) is a forum for all university staff and students who are directly engaging in the Sustainable Development Goals Network agenda. One council member is a Board Member.
- Academy of Management is a professional association for scholars of managements and organisations. It publishes several academic journals, organises conferences, and provides others forums for management professors and managers to communicate research and ideas. One council member is a Chief Operating Officer.
- Binit Group Limited provides rubbish and recycling services for businesses. One council member is an investor.
- Capita PLC is an international business process outsourcing and professional services company headquartered in London. One council member is a Chief Financial Officer.
- City Science Corporation Limited is a technology company created to optimise complex urban systems. One council member is the chairman and a shareholder.
- Cornwall and Isles of Scilly LEP is a partnership between public and private sectors, established to drive economic strategy for the area. One Council member is a Board Member.
- Creww Executive Board Limited (Creww) is a joint venture company with two members - the University and South West Water Limited. Creww has been established to consider the decisions of The Exeter Centre for Water, Waste and Environmental Resilience.
- Dartington Hall Trust is a charity based in Devon that runs various educational programmes in the art, ecology and social justice. One council member is a Trustee.
- Diabetes UK is the UK leading diabetes charity. An Independent Member of Audit and Risk Committee is a member of the Diabetes Research Steering Group.
- Exeter College provides education for students. One council member is the Vice Chair of the Board of Governors, one Exeter UEB member is a member of the Governing Body.
- Exeter Northcott theatre is a registered charity in England and Wales and a Company limited by guarantee. The University is one of core funders of the company.
- Exeter Rugby Club Ltd is an English professional rugby club based in Exeter, Devon. One member of the University's Management Team is a Board Member.
- Exeter Science Park is an English centre of activity for businesses in science, technology, engineering, maths and medicine. One member of the University's Management Team is a Chair of the Board.
- Falmouth Exeter Plus Ltd is a service delivery partner of Falmouth University and the University of Exeter which provides shared Higher Education services and facilities. One member of the University's Management Team is a Board Member.
- The Falmouth and Exeter Students Union (FXU) is a membership-led charity for Falmouth and Exeter University students.
- Global City Futures Limited is a consultancy that partners with local authorities and institutional leaders to co-create lasting solutions to urbanisation and establishing sustainable, 21st Century cities. One Council member is a CEO of the company.
- The Heart of the Southwest Local Enterprise Partnership (LEP) is a business-led partnership between the private sector, local authorities, universities, and colleges.
- IDP Connect's real-time data provides institutions with actionable insights to drive and inform marketing and recruitment strategies. IDP Connect creates digital products in collaboration with students that connects them to the right institutions. One member of the University's Management Team is a Chair of Strategic Advisory Board.
- INTO University of Exeter LLP is a limited liability partnership between Exeter ISC Limited, a wholly owned subsidiary of the University, and INTO Exeter Limited, a wholly owned subsidiary of INTO University Partnerships Limited. One member of the University's Management Team is a Management Board Member.
- Kortext is the UK's leading experience and engagement platform with personalised learning space and access to vast number of digital textbooks. Exeter UEB member is the Academic Advisory Board member at Kortext.
- The Law Society is an independent professional body for solicitors in England and Wales. One member of the University's Management Team is Learning and Development Steering Group Member of the Society.
- The University of Exeter Retirement Benefit Scheme (ERBS) is a post-employment benefit plan for the benefit of the University employees. Details of transactions with ERBS are provided in Note 28.
- National Centre for Universities and Businesses promotes and supports collaboration between universities and business in the UK. One member of the University's Management Team is a member of NCUB taskforce.
- National Oceanography Centre is a marine science research and technology institution in the UK. One member of the University's Management Team is a Strategic Advisory Board member.
- Royal Commission for the Exhibition 1851 administer the Great Exhibition of the Works of Industry of all Nations. One council member is a Committee Member in 1851 Commission
- Russell Group comprised of leading UK universities with a shared focus on research and a reputation for academic achievement. One Exeter UEB member is a Chair of PVC Education Group and the other is a Russel Group Board member.
- South West Institute of Technology is a collaboration between a number of partner organisations that provides technical education to learners and skills to employers. One council member is a Board member.
- Ted Wragg Multi Academy Trust works in partnership with schools, local community, and businesses to enhance and broaden an education experience. One Exeter UEB member is a Nominated Member of the Academy.
- The Maynard School is an independent and selective school for girls aged 4-18 in the city of Exeter in Devon. . One member of the University's Management Team is a Governor of the school.
- The Royal Osteoporosis Society is the only UK-wide charity dedicated to improving the prevention, diagnosis and treatment of osteoporosis. One member of the University's Management Team is a Clinical Committee member.
- Universities UK works with universities, government, and stakeholders to continue improving UK's higher education sector. One Exeter UEB member is a Member of UUK's Charter for Portfolio Review Advisory Group. One Exeter UEB member is a Board Member.
- The annually elected Student President of the University of Exeter Student Guild is a Council Member.

All outstanding balances with the related parties are unsecured and are due for settlement in the form of cash. There was no expense recognised during the year in respect of bad or doubtful debt and no provisions were made for uncollectable receivables.

Notes to the Financial Statements

NOTE 30 RELATED PARTY TRANSACTIONS (continued)

FX + Ltd

For further information on FX Plus Ltd see Note 16 on Joint Ventures.

The University and Falmouth University have jointly and equally guaranteed four loan facilities to FX Plus Ltd:

- A loan from Lloyds TSB Bank plc of £18.6m for 30 years at a fixed rate of 5.89% which was drawn down in September 2004.
- A loan from Lloyds TSB Bank plc for £12.1m for a term of 30 years at a fixed rate of 5.215% which was drawn down in December 2006.
- A loan from Barclays Bank Plc of £20.5m for new residences. The loan is repayable over 30 years, at a variable rate linked to SONIA plus 0.275% margin, and was drawn down in July 2010.
- A loan of £8m for new residences, £4m from the European Investment Bank (EIB) at a fixed rate of 2.4% and £4m from Lloyds TSB Bank at a fixed rate of 2.1%. The loan is repayable over 16 years. The EIB loan was drawn down in May 2012 and the Lloyds loan was drawn down in various stages from June 2012 – Oct 2013.
- The total FX Plus Ltd debt as at 31 July 2023 is £35.3m (2022: £37.9m). The University has guaranteed 50% of this balance, totalling £17.7m (2022: £18.9m).

The FX+ Limited has capital commitments as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Commitments contracted at 31 July	14	361
Authorised but not committed at 31 July	62	413
	76	774

Transactions between the University and FX + Ltd were as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Income derived from the FX + Group	66	70
Expenditure incurred with the FX + Group	7,928	12,608

The balances owing between the University and FX + Ltd at the year-end were as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Amount owing from the FX + Group	(262)	328

INTO University of Exeter LLP / Exeter ISC Limited

For further information on INTO see Note 16 on Joint Ventures.

Transactions between the University and INTO University of Exeter LLP in the normal course of business were as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Income derived from INTO	212	5
Expenditure incurred with INTO	321	806

The balances owing between the University and INTO University of Exeter LLP at the year-end were as follows:

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Amount (from)/due to the University from INTO	(38)	133

Notes to the Financial Statements

NOTE 31 DEPARTMENT FOR EDUCATION AND TEACHING REGULATION AGENCY (DETRA) INITIAL TEACHER TRAINING BURSARIES

DETRA training bursaries are available solely for students; the University acts only as paying agent. The training bursaries are therefore excluded from the Income and Expenditure Account.

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Balance at 1 August	20	189
NCTL Grants	781	1,386
	801	
Disbursed to students	(845)	(1,555)
Balance at 31 July	(44)	20

NOTE 32 REGULATORY DISCLOSURES

The Office for Students requires the University to publish additional information, set out in the OfS Regulatory Advice 9: guidance on preparing and publishing financial statements for accounting periods beginning on or after 1 August 2019. This covers data on senior staff costs and the President and Vice-Chancellor's remuneration which is included in Note 7 on Staff Costs. In addition, we are required to publish supplementary data on tuition fees and teaching grant and on access and participation expenditure, as set out below.

Grant and Fee income

	Year Ended 31 July 2023 £'000	Year Ended 31 July 2022 £'000
Group and University		
Grant income from the OfS	18,719	17,915
Grant income from other bodies	56,873	44,841
Fee income for taught awards	316,596	306,127
Fee income for research awards	12,315	11,771
Fee income from non-qualifying courses	10,587	8,737
Total grant and fee income	415,090	389,391

This note is a consolidation of Note 1 and Note 2.

Notes to the Financial Statements

NOTE 32 REGULATORY DISCLOSURES (continued)

Expenditure on Access and Participation related activities for the year ended is included in the Statement of Comprehensive Income and presented in the table below:

	Year Ended 31 July 2023 £'000	Restated Year Ended 31 July 2022 £'000
Access and Participation		
Access Investment	3,687	3,647
Financial Support	6,886	5,945
Disability Support (excluding expenditure included in the two categories above)	1,139	1,047
Research and Evaluation	478	413
Total	12,190	11,052

Total Access and Participation costs are calculated using a combination of direct costs captured through our accounting system and indirect costs which were calculated using an assumptions-based model.

These assumptions are based on analysis undertaken by our finance team working closely with departments across the University to capture all available data for input into the model to ensure a robust methodology.

- £4.126m of these costs (2022: £3.813m) are already included in the overall staff costs figures included in the financial statements (see Note 7);
- The published access and participation plan can be found here: [Access and Participation Plan 20/21-24/25](https://www.exeter.ac.uk/access-and-participation-plan) (exeter.ac.uk)

NOTE 33 ALAN TURING GRANT

The Turing scheme is the UK government's global programme providing funding for study and work abroad placements.

Turing Scheme funding is available on a competitive basis for students going on a study or work abroad placement that is from 4 weeks to 12 months in duration, to help students make the most of their time abroad.

	Year Ended 31 July 2023 £'000
Balance as at 1 August	802
Grant funding received	1,366
Repayment of unspent funds	(609)
Grant funding provided to students	(1,371)
Balance at 31 July	188

Notes to the Financial Statements

NOTE 34 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

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 pounds sterling.

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

Primary Reserve Ratio Line item/related disclosures

	£'000	Year ended 31 July 2023 £'000	£'000	Year ended 31 July 2022 £'000
		78,331		62,466
	Expendable Net Assets			
Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve	379,397		360,071
Statement of Financial Position – Net assets without donor restrictions	Revaluation reserve	21,888		22,265
Statement of Financial Position – Net assets with donor restrictions	Endowment reserve	48,677		48,694
Statement of Financial Position – Restricted reserves	Income and expenditure reserve	107		122
Note 23 - net assets with donor restrictions – restricted in perpetuity	Restricted permanent endowments	22,402	25,578	
Note 23 - net assets with donor restrictions – restricted in perpetuity	Unrestricted permanent endowments	3,086	3,069	
Note 23 - annuities, term endowments and life income funds with donor restrictions	Expendable endowments	23,189	20,047	
Statement of Financial Position – Restricted reserves	Income and expenditure reserve	107	122	
Statement of Financial Position – Non-current assets	Intangible assets	5,661	7,751	
Statement of Financial Position – non-current assets, net property, plant and equipment	Tangible fixed assets	712,956	730,165	
Statement of Financial Position – provisions, post-employment and defined benefit pension plan liabilities	Pension provisions	186,453		210,930
Note 20 – Long-term debt obtained pre-implementation for long term purposes.	Bank loans	209,552		209,552
Note 20 – Allowable post-implementation Long term debt for long term purposes	Amortised loan issue costs	43		28
Note 30 - Unsecured related party receivables	Sum of balances due to/(from) the University	385	2,464	
	Total expenses and losses	618,267		548,196
Statement of Comprehensive Income – Total expenditure	Total expenditure	604,052		685,468
Note 23 – expenditure with donor restrictions	Expenditure	4,966	4,689	
Statement of Comprehensive Income – Staff costs – movement on pension provisions	Staff costs - movement on pension provisions	26,057	131,817	
Note 10 – Net charge on pension schemes	Net charge on pension schemes	6,876	766	

Notes to the Financial Statements

NOTE 34 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)

Equity Ratio Line item/related disclosures		£'000	Year ended 31 July 2023 £'000	£'000	Year ended 31 July 2022 £'000
Modified Net Assets			444,023		420,937
Statement of Financial Position – Net assets without donor restrictions	Income and expenditure reserve		379,397		360,071
Statement of Financial Position – Net assets without donor restrictions	Revaluation reserve		21,888		22,265
Statement of Financial Position – Net assets with donor restrictions	Endowment reserve		48,677		48,694
Statement of Financial Position – Restricted reserves	Income and expenditure reserve		107		122
Statement of Financial Position – Non-current assets	Intangible assets	5,661		7,751	
Note 30 – Unsecured related party receivables	Sum of balances due to/(from) the University	385		2,464	
Modified Assets			1,068,489		1,072,331
Statement of Financial Position – Non-current assets	Total non-current assets		792,249		812,314
Statement of Financial Position – Non-current assets	Total current assets		282,286		270,232
Statement of Financial Position – Non-current assets	Intangible assets	5,661		7,751	
Note 30 – Unsecured related party receivables	Sum of balances due to/(from) the University	385		2,464	
Net Income Ratio Line item/related disclosures		£'000	Year ended 31 July 2023 £'000	£'000	Year ended 31 July 2022 £'000
Change in Net Assets Without Donor Restrictions			19,032	85,890	
Statement of Comprehensive Income	Unrestricted comprehensive expenditure for the year		19,001	86,132	
Statement of Comprehensive Income	Revaluation reserve comprehensive (income)/ expenditure for the year		31		242
Total Revenue and Gains			624,970		580,326
Statement of Comprehensive Income – Total Income			632,916		586,924
Note 6 – New restricted endowments and donations	Note 6 – Total	6,862		5,603	
Note 6 – New restricted endowments and donations	Note 6 – Unrestricted donations		84		15
Note 23 – Restricted investment income		1,168		1,010	

Five Years Summary Accounts

INCOME AND EXPENDITURE

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Income					
Tuition fees and education contracts	339,498	326,635	287,491	265,128	247,898
Funding body grants	75,592	62,756	59,416	53,241	47,006
Research grants and contracts	118,689	106,765	94,618	93,152	86,965
Other income	84,203	83,725	56,287	49,991	62,751
Investment income	8,072	1,440	1,145	2,064	1,413
Donations and endowments	6,862	5,603	2,615	4,733	3,245
Total income	632,916	586,924	501,572	468,309	449,278
Expenditure					
Direct staff costs	329,797	307,118	277,971	265,957	244,521
Movement on pension provision	(26,057)	131,817	20,731	(63,981)	85,878
Other operating expenses	204,099	181,148	154,216	138,071	142,261
Depreciation	83,772	59,054	53,754	52,845	46,323
Interest and other finance costs	12,441	6,331	6,243	7,745	6,514
Total expenditure	604,052	685,468	512,915	400,637	525,497
(Deficit)/surplus before other gains losses and share of joint ventures	28,864	(98,544)	(11,343)	67,672	(76,219)
(Loss)/gain on investments	(3,016)	(2,570)	7,768	(486)	2,491
Share of operating surplus/(deficit) in joint ventures	466	1,068	(1,585)	(97)	2,000
(Deficit)/surplus for the year	26,314	(100,046)	(5,160)	67,089	(71,728)
Cash generation (EBITDA)	62,442	62,094	35,780	42,401	44,858
Operating Surplus/(Deficit) (EBIT)	29,007	30,799	(721)	3,499	16,159
Operating Surplus as a % of income	5%	5%	0%	1%	4%
Staff cost ratio ¹²	51.9%	52.2%	55.3%	56.5%	54.0%

¹² Staff costs per Note 7, excluding movement in pension provisions and severance costs, as a % of total income.

STATEMENT OF FINANCIAL POSITION

	2022/23 £'000	2021/22 £'000	2020/21 £'000	2019/20 £'000	2018/19 £'000
Tangible and intangible assets	718,617	737,916	749,656	749,545	725,694
Heritage assets	9,287	9,245	9,088	9,088	9,093
Investments	46,682	48,799	48,429	40,979	38,073
Investment in joint venture	17,663	16,354	5,099	9,047	13,081
Net current assets	107,389	97,107	58,631	58,740	82,807
Creditors: due after one year	(261,907)	(262,790)	(264,049)	(270,099)	(269,363)
	637,731	646,631	606,854	597,300	599,385
Pension liability and other provisions	(187,662)	(214,587)	(89,039)	(82,635)	(136,569)
Total net assets	450,069	432,044	517,815	514,665	462,816
Represented by:					
Endowment reserve	48,677	48,694	49,589	41,482	40,726
Income and expenditure reserve	379,504	361,085	446,203	450,644	398,803
Revaluation reserve	21,888	22,265	22,023	22,539	23,287
Total reserves	450,069	432,044	517,815	514,665	462,816



University
of Exeter