

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022



Financial Statements

for the year ended 31 July 2022

Index of Contents	Page
Financial Highlights	2
Financial Review	3
Public Benefit Statement	10
Carbon Emissions	23
Corporate Governance	26
Statement of Internal Control	31
Statement of Primary Responsibilities of the Council	35
Independent Auditor's Report	37
Consolidated and University Statement of Comprehensive Income	41
Consolidated and University Statement of Changes in Reserves	42
Consolidated and University Statement of Financial Position	43
Consolidated Cash Flow Statement	44
Notes to the Accounts	45
Indicators of Financial Health	86

financial highlights

for the year ended 31 July 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2021/22	2020/21	Change
	£ million	£ million	
Tuition fees and educational contracts	429.6	389.7	10.2%
Funding body grants	68.7	66.8	2.8%
Research grants and contracts	139.9	139.8	0.1%
Other income	135.4	100.7	34.5%
Investment income	2.0	1.0	100.0%
Donations and endowments	3.4	5.7	(40.4%)
Total income	779.0	703.7	10.7%
Surplus for the financial year excluding USS pension provision movement	85.1	76.5	11.2%
(Deficit) / surplus for the financial year	(93.2)	79.3	(217.5%)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2022	2021	
	£ million	£ million	
Fixed assets	849.7	862.5	
Investments	33.0	30.4	
Net current assets	171.7	83.1	
	1,054.4	976.0	
Long term creditors and provisions	(692.7)	(555.4)	
Total net assets	361.7	420.6	(14.0%)

	2021/22	2020/21	
	£ million	£ million	
CAPITAL EXPENDITURE IN THE YEAR	41.8	97.6	(57.2%)
NET CASH INFLOW FROM OPERATING ACTIVITIES	125.0	122.4	2.1%

OTHER KEY STATISTICS		2021/22	2020/21	
		Number	Number	
Full Time Students:-	Home / EU undergraduates	14,058	14,275	(1.5%)
	Home / EU postgraduates	2,099	2,338	(10.2%)
	Overseas undergraduates	3,800	3,342	13.7%
	Overseas postgraduates	4,727	3,968	19.1%
Total number of students (Full Time Equivalent)		26,495	25,638	3.3%
Total staff numbers (Full Time Equivalent)		6,456	6,382	1.2%

financial review

Introduction

The University is pleased to report a strong financial performance despite a challenging operating environment resulting from the Covid pandemic and geopolitical events. As we started the financial year last August the national Covid vaccine roll-out was gathering momentum paving the way for a return to normality, though the emergence of the Omicron variant had a braking effect on progress in early 2022. We have subsequently seen supply chain issues in global markets as post-Covid demand has steeply climbed, significantly exacerbated by Russia's invasion of Ukraine which has resulted in rapid increases in price inflation, especially in relation to energy supplies.

Despite this destabilising back-drop to the year Warwick is able to report an underlying surplus of £85.1m, noting though that adverse impacts from the USS pension scheme valuation (see later in report) mean that an overall deficit of £93.2m is recorded. This strong performance is underpinned by exceptional levels of student recruitment; a reflection of the continuing strength of Warwick's reputation both at home and internationally. Most UK university league tables continue to place Warwick in the top 10, whilst the QS World University Rankings place Warwick 64th globally.

The strong surplus also reflects lower than planned expenditure, which has resulted from a combination of Covid-related restrictions on activities earlier in the year, such as travel, some difficulties in filling staff vacancies in a challenging recruitment market and the associated impact of vacant posts on operational non-pay expenditure. Although these restrictions have boosted surplus levels in the short-term the University is striving to ensure that any barriers to the achievement of its operational goals are removed so that projects can progress.

Whilst the operational environment has been challenging, it has nevertheless been an exciting and unforgettable year for the University. Most notably, Warwick retained its reputation as one of the UK's academic powerhouses with the announcement of the REF2021 (Research Excellence Framework) results, with 92% of our research being classed as 'world-leading or internationally excellent', according to a panel of global experts. This accolade complements last year's announcement that the Sunday Times' Good University Guide 2022 had named Warwick as University of the Year for Teaching Quality, showing that our reputation as a global research centre of excellence is matched by our outstanding teaching credentials.

It has also been an exciting time to be on campus with Warwick hosting an athletes' village as part of the Birmingham 2022 Commonwealth Games, with around 2,000 international athletes on campus between 28 July to 8 August. This was immediately followed by welcoming the International Children's Games to campus, with over 1,500 young participants from all over the world. Being selected to take part in such prestigious events is a reflection of our investment in world-class sport facilities, including the new Sports and Wellness Hub, and our multi award-winning hospitality venues. We have also been pleased to support the UK City of Culture in Coventry, including using our newly redeveloped facilities at Warwick Arts Centre.

We have also been delighted to see the return of graduation ceremonies to campus following the enforced lock-down cancellations of the last two years. Graduates gaining their degrees in 2020 and 2021 were forced to miss out on the pride and tradition of graduations as the pandemic meant that ceremonies were unable to proceed or in limited cases replaced with online-only events. With restrictions lifted Warwick invited those graduates back to campus with their family and friends to formally mark their achievements, with a special, festival-style site being created on campus with fairground rides, food and drink stalls and music. Overall, up to 40,000 graduates and guests attended degree celebrations with 22 catch-up ceremonies being held plus a further 15 for this year's graduates.

The lifting of Covid restrictions also meant that we could at last hold an all-staff event, making use of the 'festival village' created for the catch-up graduations, to thank colleagues from across the University for their amazing effort and resilience during the pandemic. The University has also been pleased to be able to make a further 'Thank you' payment to staff as an additional reward for their achievements in exceptional circumstances. Our excellent staff have

financial review

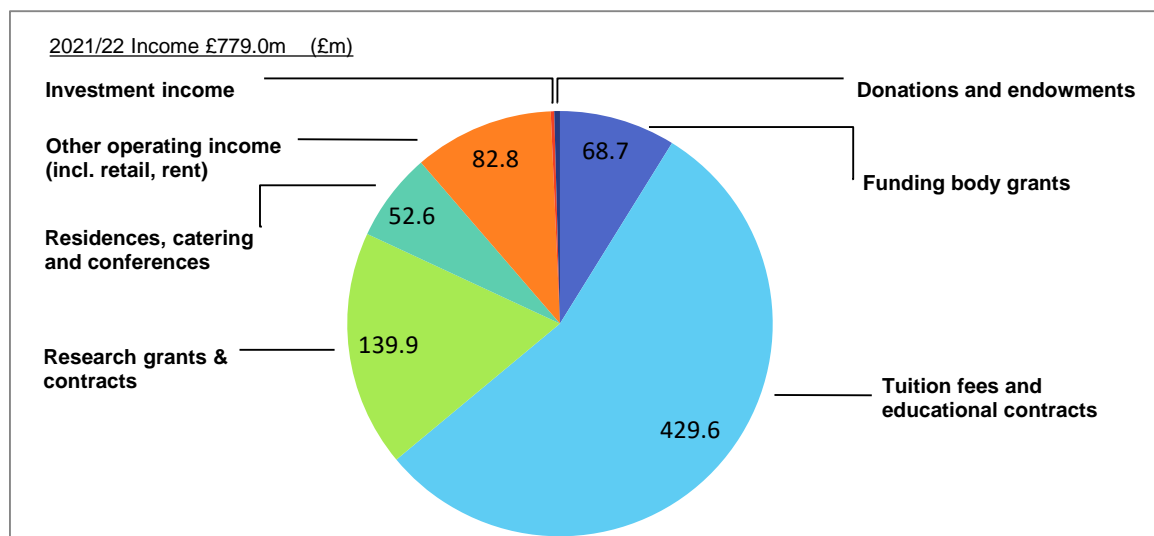
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ensured that the University has not only survived the pandemic but, as illustrated by the various accolades awarded, has been able to thrive.

The future will inevitably bring fresh challenges; the most immediate issue being the impact of inflationary pressures on expenditure plans. The Government's intervention which caps energy costs for a six-month period is welcome though questions remain as to the impact of inflation beyond that horizon, especially whilst home undergraduate fees remain capped at £9,250. The University will look to increase investment in energy efficiency and low-carbon energy production thereby combining a need to manage its cost-base with its commitment to achieving a Net Zero carbon position. Sustainability, both financially and in the broader sense, will be key to achieving success in all our future endeavours. It is therefore excellent news that this year's surplus outcome has further strengthened our financial resilience, providing the essential investment funds to ensure that the University can continue to deliver exceptional teaching and research far into the future.

Financial Performance

Due to the movement in the USS pension liability following the scheme's 2020 valuation, the results for the year show a deficit of £93.2m in 2021/22. The significant adverse swing in the USS pension liability was £178.3m compared with a positive movement of £2.8m in 2020/21. Excluding the adjustment for the USS pension liability, the underlying performance delivered by the University for the year is a surplus of £85.1m an improvement of £8.6m on the prior year's underlying surplus of £76.5m. For both years this level of surplus represents 10.9% of income; typically the University targets a surplus of 5% to 7% of income per annum and this reported favourable variance provides additional funds to support plans for significant future investment in the campus. The USS pension adjustment is a non-cash movement and does not impact the University's day to day operations. As reported above, this financial result is an excellent achievement arising from strong student recruitment coupled with lower than forecast expenditure.



The University's total income has increased to £779.0m from £703.7m in 2020/21. This increase was primarily driven by above-target tuition fee income following good recruitment particularly of overseas students. The outstanding efforts of our academic staff to provide an excellent learning experience despite ongoing covid impacts, enabled us to maintain our position as one of the leading universities in the country.

Research grants and contracts income slightly increased to £139.9m, up from £139.8m in the previous year, with several departments posting excellent results, including WMG which continued to build on its very strong relationships with industry partners.

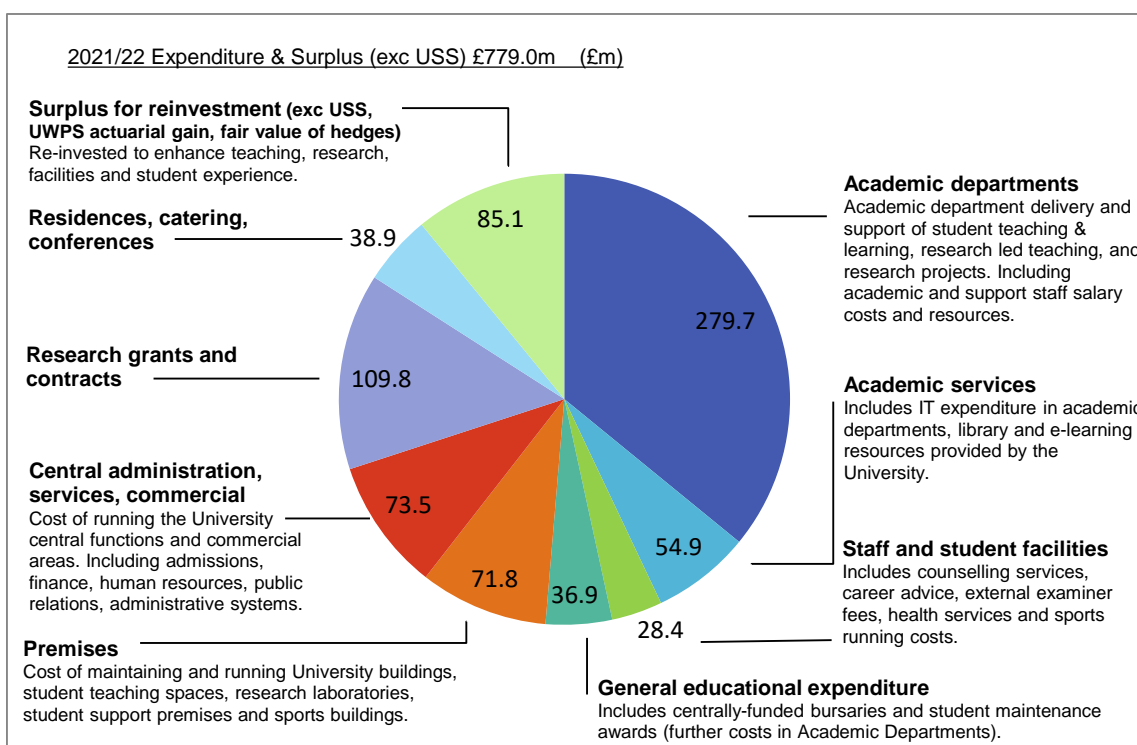
Other income increased from the prior year £100.7m to £135.4m, recovering to close to pre-pandemic levels. Following relaxation of the Government's Covid restrictions, which had significantly impacted Warwick's retail and conference centre businesses, levels of activity have been largely restored with the campus benefitting from hosting competitors for the Commonwealth Games and other campus events.

financial review

(continued)

Staff costs increased from £368.5m last year to £569.6m in 2021/22. Staff costs continue to be distorted by the impact of pension cost movements, especially USS. Excluding the impact of the USS pension scheme adjustment, staff costs increased from £372.1m to £392.2m. This partially reflects inflationary increases but also higher levels of activity compared with the lockdown-affected prior year. Staff costs when adjusted for USS movements as a percentage of expenditure decreased to 56.6% (2020/21: 58.9%); this decrease largely reflects the impact of increasing non-pay spend in 2021/22 in addition, as activity increasingly returned to pre-pandemic levels.

The accounts also show the University's total comprehensive income, which is composed of the reported surplus or deficit, any actuarial movements on The University of Warwick Pension Scheme (UWPS) and movements in the market value of financial instruments. This year's result is a deficit of £58.9m, but after removing the impact of the £178.3m USS adjustment the result becomes a surplus of £119.4m. UWPS made an actuarial surplus of £12.1m compared with an actuarial loss of £4.6m in 2020/21. The £12.1m gain is made up of £54.7m arising primarily from the increase in the discount rate less £42.6m lower returns on scheme assets compared with the assumptions last year. The change in the valuation of the swaps used to hedge interest rates on our loan funding during the year was £22.2m favourable, following on from the £12.7m favourable movement in 2020/21. The movement was driven by rising interest rates, in particular the latest expectations around future interest rates. Whilst the actuarial gain and interest rate hedge swaps changes are a significant part of comprehensive income, these amounts do not impact cash balances and therefore do not affect the ongoing operations of the University. Excluding these items and the USS adjustment, the underlying surplus for the year is £85.1m.



Financial Position

The University is continuing to maintain a strong financial position and balance sheet even after the inclusion of the substantial increase to the USS pension liability, which has led to total net assets falling to £361.7m from £420.6m. However, the USS pension liability increase has been partly offset by the underlying surplus for the year and the positive movements on UWPS and loan interest rate swaps. The current assessment is that the USS pension liability position is likely to improve when the next valuation is undertaken.

financial review

(continued)

Non-current assets decreased from £892.9m to £882.7m as at 31 July 2022 with depreciation being higher than the relatively modest capital spend during the year. There are plans for major investment in the University campus over the next decade which will draw on the substantial cash and cash equivalents held by the University at July 2022 together with cash to be generated from future surpluses.

Trade and other receivables increased to £63.0m (2020/21: £55.7m). This is due to higher trade debtors as a result of increased trading activities and higher accrued income in relation to research and other projects in comparison to the previous year.

Creditors falling due in less than one year increased to £241.7m from £238.5m during the year. The year-on-year increase arises from the higher receipts in advance in deferred income in relation to student and other educational related income, higher accruals in relation to capital related projects and an increased holiday pay accrual.

Creditors falling due after more than one year reduced by £33.2m to £419.2m; £22.2m related to a reduction in the fair value of the interest rates swaps liability, with this movement being attributable to market forecasts around future interest rates. Loan balances and deferred income continue to unwind in line with expectations.

The pension provision, which relates entirely to the USS, has increased substantially from £104.4m to £282.7m as anticipated following the scheme's 2020 valuation. Whilst this increase in the size of the recognised liability, based on the current fair value of future deficit payments under the current recovery plan, is significant, it should be viewed with caution because of the sensitivity of the valuation to relatively minor movements in variables. The latest expectations are for the next valuation of the USS to show lower liabilities which may then be reflected in lower deficit contributions from members. Warwick is well positioned to meet fluctuations in the USS pension commitments as the expected future contributions levels remain affordable for the University and are fully factored into its financial planning.

The pension asset relates to the defined benefit section of the University of Warwick Pension Scheme (UWPS). The asset has increased from £4.4m to £17.0m over the course of the year. The positive movement in the pension scheme is due mainly to the actuarial movements noted earlier in this report. However, it is important to note that the accounting methodology adopts less prudent assumptions than those required for the triennial scheme valuation, which remains in deficit. The University is therefore in the contradictory position of reporting an accounting surplus yet being required to continue paying deficit contributions to the scheme.

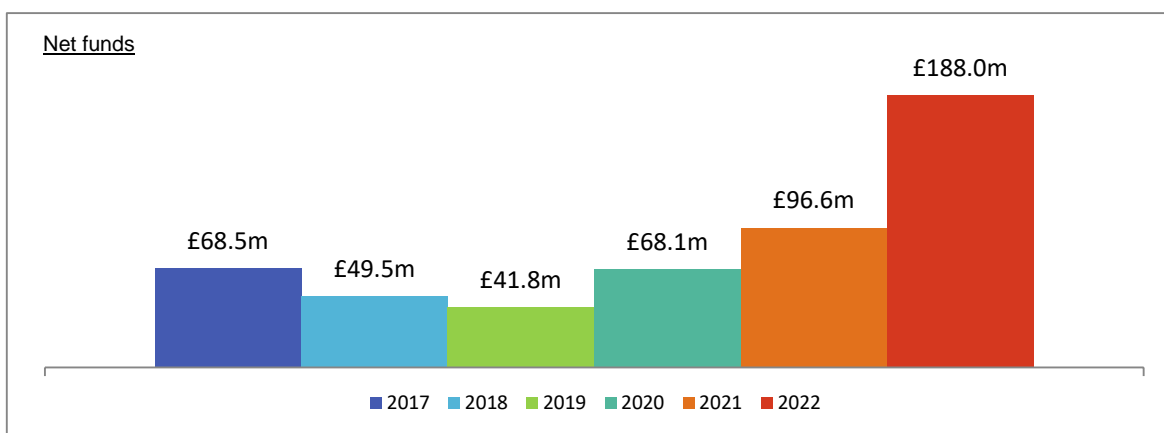
Liquidity and Borrowing

The strong performance of the University is reflected in its holdings of cash and cash equivalents and current asset investments with the total balance moving to £349.3m at the year-end (2021: £265.2m). The positive net cash flow from operating activities was £125.0m. It is essential for the University to continue to generate sufficient cash balances from its operations to enable it to invest in both its capital infrastructure and other strategic priorities. The loan balance decreased as a result of capital repayments in the year from £168.6m to £161.3m.

Whilst the University currently has strong cash and investment balances, it should be noted that these are largely designated towards future capital projects and are expected to reduce over the coming years. When investing surplus cash in capital projects the University will always ensure that an appropriate minimum cash level is maintained for working capital purposes. The current strong cash position provides a safety buffer for the University to operate in during uncertain economic conditions with rising inflation and static home undergraduate fees. With this secure financial position, robust future financial forecasts which have been tested using sensitivity analysis on key assumptions and the inclusion of appropriate contingency provisions, the University Council is satisfied that the accounts can be prepared on a going concern basis.

financial review

(continued)



Net funds are comprised of the following:

	2017	2018	2019	2020	2021	2022
	£ million	£ million	£ million	£ million	£ million	£ million
Short term deposits	89.0	38.5	81.5	25.0	49.0	161.8
Cash and cash equivalents	98.7	126.6	143.6	219.0	216.2	187.5
Unsecured loans	(119.2)	(115.6)	(183.3)	(175.9)	(168.6)	(161.3)
	68.5	49.5	41.8	68.1	96.6	188.0

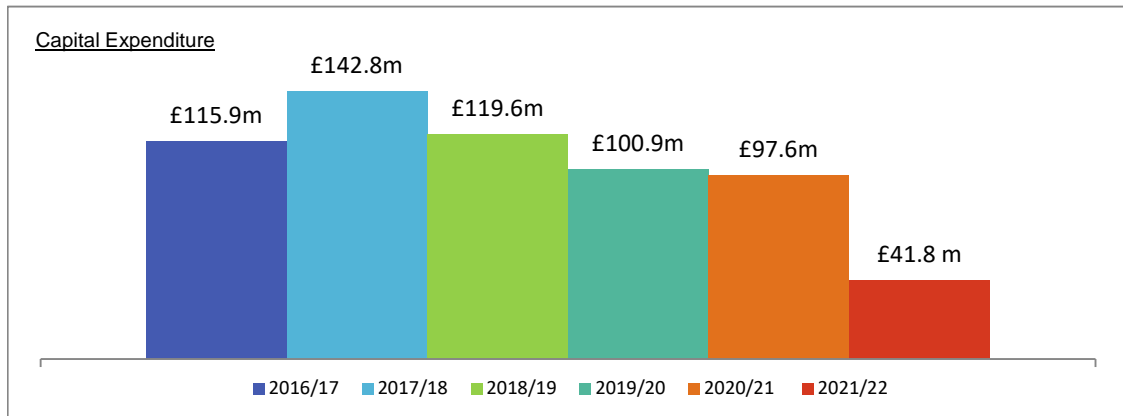
The University cash balances are invested across a range of approved financial institutions, principally in short term deposit accounts of up to two years in length and to a maximum value of £60m per financial institution. The University investment policy maintains at its core the principal aim of protecting the charitable assets of the University and, as such, cash balances are currently restricted to UK clearing banks and the larger UK building societies. The University also maintains an investment portfolio, principally with a view to holding for the longer term and as an instrument for repaying bullet loan commitments. All cash and investment funds are held in accordance with the University's socially responsible investment policy.

Capital projects

Capital expenditure during the year was relatively modest at £41.8m (in comparison to more recent levels of circa £100m per annum), however this delivered the completion of two major new-build projects, the Faculty of Arts Building and the Interdisciplinary Biomedical Research Building, both of which have been very well-received by staff and students. The University will continue to invest in the campus as an essential component of its strategic priorities as we move towards 2030 and beyond. Efforts are currently concentrated on bringing forward plans for the next major developments on our campus involving substantial investment in social sciences, a new science quarter and new student residences. Whilst we remain cautious about large investment plans as we go forward, noting the risk of ongoing high inflation in the construction market, we will continue to manage our cost base and future plans to continue to invest in key priorities, including growing Warwick's STEM and social sciences capabilities.

financial review

(continued)



Risks

The University has a Risk Management Policy which is approved by the Council. The Council, supported by Audit and Risk Committee and other committees, keeps under review the strategic risks facing the University and the programmes which help to manage or mitigate these risks. The Strategic Risk Advisory Board identifies, monitors and escalates to the University Executive Board any changes to the risk profiles on the Strategic Risk Register. Departments undertake risk assessment as an integral part of the Strategic Planning Process.

The following list illustrates some of the key risks currently on the University's radar:

- the impact of inflationary pressures on the University's finances, staff and students;
- the need to maintain effective cyber security measures;
- failure to recruit and retain internationally recognised scholars in a highly competitive market;
- failing to recruit and retain a strategically desirable number, quality and diversity of students, particularly international students in a competitive and global market;
- long term impacts from Brexit impacting on: the recruitment of EU students; attracting and retaining high-calibre staff; the ability to continue to be involved in research of the highest quality with our peers across the EU and to access funding;
- potential adverse changes to the funding of universities from public sources, including changes to the tuition fee regime and the static home undergraduate fee during inflationary periods;
- adverse impacts from USS pension valuations, both in respect of future contribution levels and the risk of industrial dispute in respect of the benefits offered;
- failure to maintain reputation and an internationally competitive position in respect of the quality and recognition of both teaching and research; and
- maintaining reliable, sustainable and ethical supply chains (including energy supplies) that deliver value for money.

To mitigate these strategic risks, the University, amongst other things:

- plans prudently with respect to income assumptions, continually reviews the need for efficiency savings and monitors student feedback and surveys to most effectively direct available resources;
- plans conservatively for student demand and focuses on building and developing overseas networks with other organisations, representatives and alumni communities;
- invests in the best staff and facilities and pursuing international excellence in all aspects of its operations and continuously grows its academic links and collaborative working relationships with overseas education partners and international businesses;
- makes appropriate levels of investment in digital infrastructure and cyber security, maintaining a focus on assurance and compliance, with regular staff training and awareness updates;
- has become an accredited Real Living Wage Employer to support staffing levels across lower grades;
- engages in regular, frequent review of recognition and reward mechanisms and leadership and development training programmes;

financial review

(continued)

- has established the Energy Action Group to fast-track the implementation of energy efficiencies and ensures new buildings are to BREEAM excellent standards; and
- actively manages supply chain, entering longer term agreements where appropriate to ensure continuity of supply and to lock in value when market cycles permit.

The University's financial projections are subjected to stress tests as part of the annual planning process to ensure they are robust and Warwick is in a strong position to manage future risks. The University also makes prudent assumptions in its planning process and has a good track record for outperforming its targets. This work has demonstrated that the University is well-placed to respond to future financial shocks and holds sufficient reserves to implement any necessary actions as required. We have effective governance of financial decision-making to ensure that a high standard is maintained in the ongoing stewardship of our assets. This cautious and diligent approach to the management of the University's finances has ensured that Warwick continues to respond well to future developments.

Future outlook

The University will maintain progress towards its strategic goal of being one of the world's exceptional universities, helping to transform our region, country and world for the collective good. To achieve this end, significant capital investment is planned over the next decade, especially in science; this aligns with the Government's strategic aims of making the UK a science and technology superpower. However, Warwick is under no illusions as to the challenges that will lie ahead, not least of all because of the weak UK economy and geo-political events.

In particular, inflation is expected to be a significant braking force, especially in the short term. Pay inflation and energy costs are both rising sharply, whilst the regulated tuition fee for home undergraduate students remains locked at £9,250. This is expected to weaken future surplus levels, thereby reducing funds available for investment and will push universities further towards reliance on international student fees to generate their cash requirements. The University is anticipating lower surplus levels over the next years as a consequence of these challenges. Furthermore, the high levels of national debt could herald new austerity measures bringing the risk of Government budget cuts to sector funding. On a positive note, the weakness of the pound will make the UK a cheaper destination for overseas students thereby improvement international competitiveness.

Critically, the University has emerged from the past two years of global pandemic in a strong financial position. Our enduring reputation of excellence in teaching and research has ensured that student demand for all levels of tuition has remained very high, with recruitment of high-quality applicants for the 2022/23 academic year continuing this trend. This, coupled with the dedication of staff throughout the institution, has resulted in good surpluses being delivered in 2021 and 2022. The University's cash balances have consequently been strengthened, ensuring that the University is now in a strong position to withstand the current challenges and to make the investments required to deliver the transformational change envisaged in its strategy.

Neil Sachdev, University Treasurer

16 November 2022

public benefit statement

We provide public benefit principally by pursuing our core objects, as set out in our Charter: 'the advancement of learning and knowledge by teaching and research and the provision of University education'. Members of the University Council, as charity trustees, have complied with their responsibility to have due regard to the Charity Commission's guidance on public benefit in exercising their powers and duties.

Our strategy, Excellence with Purpose, has been in place since September 2018. We continue to strive for excellence whilst rejecting intolerance in all of our activity. Our strategy continues to be underpinned by a core set of values that address our duty to the public interest through the impact of our teaching and research. These values are complemented by a set of five guiding principles which represent our expectations of how we behave as individuals and an institution and are embedded across all our activities, serving as a positive example to our community and beyond.

The University Council and Senate have continued to seek assurance that our education, research and knowledge generation are at the forefront of excellence in national and international agendas, and are committed to continuing to work in partnership with our students and staff to maintain and further enhance the distinctiveness of education and research at Warwick.

Teaching and Learning

We are committed to providing the highest standard of educational experience for all students, enabling the achievement of outstanding academic and career outcomes. For over 50 years, our mission has been to equip our students with the knowledge and skills required to succeed in a global society. We enable them to work creatively and flexibly within and across disciplinary boundaries and to achieve their full potential in employability and career progression.

Widening participation and social inclusion continue to remain core to our mission. Our commitment to provide a transformative educational experience for all students means our graduates can demonstrate sector leading academic attainment and career outcomes. Our Widening Participation Strategy (WP) along with the Access and Participation Plan (APP) made bold commitments to ensure we have the greatest impact on social mobility, through our ability to recognise, inspire, and enrich talented students from socially and economically disadvantaged backgrounds.

A new Inclusive Education Model has been launched to address any disparities in student outcomes and experiences through tackling the structural and cultural changes required. Development covers a number of key areas of activity including: staff and leadership, student engagement, reporting and evaluation and governance.

Our whole student lifecycle approach supports students throughout their time at Warwick, with a focus on ensuring equality of opportunity to the range of student experience and to ensure students thrive during their student experience. More information about our work and approach can be found on our web pages <https://warwick.ac.uk/study/outreach/>

We seek to ensure that, wherever possible, financial circumstances are not a barrier to studying at Warwick. We offer means-tested packages of support for UK undergraduate students and scholarships are available for postgraduate students. The University offers a variety of accommodation with a wide range of affordable rents.

public benefit statement

(continued)

Warwick Scholars is a transformational social mobility programme to enable young people from disadvantaged backgrounds from the region to realise and achieve their career ambitions. Since its launch in 2019, the programme has supported around 500 post-16 widening participation students in the region capable of gaining a place at Warwick. Warwick Scholars has grown into a comprehensive programme of activities, opportunities and experiences, designed to level the playing field and aid social mobility. Our Warwick Scholars community comprised over 300 students and will continue to grow over the next few years. In 2021 Warwick Scholars joining us as undergraduates from this access programme received tuition fee reductions and bursaries alongside enhancing access to opportunities such as study abroad experiences (where possible currently), careers and skills development, work experience and internships.

<https://warwick.ac.uk/study/outreach/whatweoffer/warwickscholarsug>

Addressing challenges that relate to social mobility and inequality are rarely tackled by one organisation alone, it required cross-sector and multilateral commitment and collaboration. Collaboration and partnerships are central to our efforts. We have pioneered new provision in collaboration with partners, including the Sutton Trust where we have for many years supported students access the legal profession through the Pathways to Law programme. This work has since extended to address disparities in diversity in the banking and finance industry and in 2020 we launched a new Pathways to Engineering programme to empower disadvantaged students in the Midlands to consider a career in engineering and advanced manufacturing.

During 2021-22 the University has made firm commitments to strengthen its support for care leavers and estranged students. We have made institutional commitments to the Care Leaver Covenant (<https://mycovenant.org.uk/>) and the Stand Alone Pledge for Estranged Students (<https://www.thestandalonepledge.org.uk/>), including a new bursary for this group to support them with their studies. The University pledges to develop a comprehensive package of support across the following areas: Outreach; Transition; Finance; Accommodation; Mental Health and Wellbeing.

The University has also been re-accredited as a University of Sanctuary in support of refugees and people in the asylum system. (<https://universities.cityofsanctuary.org/>)

The University's partnership with IntoUniversity (IU) continues to go from strength to strength. The IntoUniversity Centre Coventry has made a significant impact in the local community including providing effective support to students and their families during the pandemic. In 2020-21 59% of IntoUniversity students in Coventry progressed to HE (v30% local average) and although the main purpose of the partnership is not about access to Warwick, 185 IntoUniversity students from across the country have joined the University since the partnership began in 2018 and 14 from the Coventry IU Centre. A key aspect of support is after-school academic support and evaluation highlights that 76% of IntoUniversity Coventry students reported that they were working better at school as a result of Academic Support. Moreover, 68% of IntoUniversity Coventry students reported improved school grades as a result of Academic Support.

<https://intouniversity.org/content/intouniversity-coventry>

We are leading the Office for Students (OfS) funded Uni Connect network in partnership with Coventry University, Warwickshire County Council and local Further Education colleges. Through this programme, we continue to play an important collaborative role in supporting young people in schools and colleges in Rugby, Nuneaton and Bedworth and North Warwickshire areas.

Our partnership with the social mobility charity upReach provides opportunities for Warwick students to have access to intensive career support and top employers for internships and future employment. We currently have over 206 students benefiting from this partnership each year. Currently 64 Warwick Scholars (31% of the total) are part of this programme with the remaining places allocated to Warwick students from low-income households.

public benefit statement

(continued)

We continue to be a partner in the University Schools Trust (UST) focusing on schools in East London. The UST comprises a unique partnership of like-minded universities, companies and community organisations, which work with the member schools to ensure the highest possible educational outcomes for young people from some of the most deprived communities in the UK.

Warwick Business School (WBS) offers a BSc (with Foundation Year) in Accounting and Finance, and a BSc (with Foundation Year) in Management. The Foundation Year aims to equip students with the skills and knowledge they will need for successful progression to year one of the existing three-year BSc degrees. The Foundation Year targets students from WP groups who have the potential to succeed on the WBS undergraduate programme.

Through degree apprenticeships, we have diversified our educational offer in order to align ourselves with key national government policy changes and respond to the changing external landscape, ensuring that we contribute to regional and national employment needs. By September 2022, the University was offering twenty five degree apprenticeship programmes covering fifteen apprenticeship standards. Acting as the main training provider we work with c.1000 apprentices and 99 employers. A further two apprenticeship programmes will be launched for delivery from autumn 2023, aiming to enhance access to undergraduate and postgraduate education through flexible, industry-orientated study.

The University of Warwick and University College Birmingham (UCB) launched a new partnership in 2020/21 aiming to build on the core strengths of both institutions to unlock the talent and potential of young people from all backgrounds across the West Midlands. Many of UCB's degrees will be accredited and awarded by Warwick but the partnership will also provide opportunities for collaboration more broadly. We are already collaborating and building shared capabilities STEM curriculum development, GCSE Maths support for local students, widening participation pathway development, and employer and business engagement. This has included the launch of a Maths and English bootcamp to Year 11 students in Birmingham to support them with overcoming Covid 'learning loss'.

We continue to build on the evidence developed through the Postgraduate Support Schemes in prioritising support to enhance the progression to postgraduate study for underrepresented groups. In recognition of some of the barriers to PG study, the University commits up to £500k per year in continuing the Warwick Taught Master's Scholarship Scheme (WTMSS) which provides targeted students with a up to £10k in tuition fee scholarship. Our Centre for Lifelong Learning provides opportunities for adults seeking to return to learning or wishing to pursue studies in HE through offerings such as its foundation, part-time and 2+2 degree, the innovative Gateway to HE, degree apprenticeship programmes and postgraduate courses.

The University continues to perform strongly in the 2023 league tables and encouraging feedback from final year students has been received again in 2022 with positive outcomes in the National Student Survey, placing Warwick third in the Russell Group for Overall Satisfaction. This reflects the institution-wide commitment to working with students to provide an excellent educational experience.

Education and Research

Ranked **64th** in the world by the **QS World University Rankings**

Distance learning MBA from WBS ranked **#1** in the world by Financial Times.

OVER 12,000 qualifications awarded

Ranked **8th** in the UK by *The Guardian*



92% of our research is **"world-leading"** or **"internationally excellent"**

Research Excellence Framework (REF 2021)

"Being a Warwick Scholar means that you almost immediately gain a support network and community of not only students like you, who are going through the same things, but also the wider Scholars community who are already students at Warwick. It can make preparing for university a lot more enjoyable and a lot less scary."

2nd year Warwick Scholar participant 2021/22

Ranked **9th** in the UK by *The Times and Sunday Times*

public benefit statement

(continued)

Research

As one of the UK's leading research universities, we continue to have a commitment to research that is both nationally and internationally recognised, with impact and purpose. We have an ambitious vision for the future, one in which our research will transform the way in which we understand the world, creating lives that are healthier, safer, more resilient, just and fulfilled. We are inspired by fundamental questions led by own intellectual curiosity. We strive to inspire curiosity in others, being challenged by our public, private and charitable partners.
<https://warwick.ac.uk/research/partnerships/>

We have an ambitious research strategy which supports all our academics to deliver curiosity driven, provocative research within and across our disciplines. Making links between disciplines is vital as evidenced by our GRP Programme (<https://warwick.ac.uk/research/priorities#global>) and network of Research Centres (<https://warwick.ac.uk/departments/research/>), uniting our researchers to tackle some of the world's most pressing challenges (<https://warwick.ac.uk/research/impact/qcrf/>). A critical element of our research is achieving impact that benefits society, the economy and the wider research community. Our researchers are tackling real problems in the UK and across the world, making a difference on issues that range from revolutionising medical diagnosis and treatment, helping to build our future cities, influencing policies which touch lives; and connecting communities through culture and the arts (<https://warwick.ac.uk/research/impact/about/>).

Our Research Excellence was demonstrated in the recent Research Excellence Framework (REF) 2021 assessment. 92% of our submitted research was assessed to be 'world leading or internationally excellent' by a panel of global experts. 50% was awarded the highest possible rating of 'world leading' (4 stars) and a further 42% is 'internationally excellent' (3 stars). Four academic disciplines, Economics (2nd), Classics (3rd), Computer Science (4th), and Business & Management (5th) featured in the UK's Top 5 institutions, according to the Times Higher Education (THE) and a further five disciplines, Mathematical Sciences (6th), Law (8th), Philosophy (8th), Politics and International Studies (9th) and Sociology (10th) featured within the Top 10. Warwick was rated in the REF as 7th overall for 'outputs' which reflects the consistently high quality of its published academic work. The results also recognised an increase in the economic and societal impact of the University's research, which highlights the real-world benefit of the University's work.

Fostering a positive Research Culture continued to be a key priority for the University. Combining funding from Research England with institutional funding, the University supported 20 research projects to develop and initiate new activities that will greatly enhance research culture. The projects have helped to build an inclusive R&D Careers pipeline, increasing access to and participation in research for under-represented groups; improved recruitment, training, career development and opportunities for early career researchers; brought together research communities to discuss, celebrate and adopt good practice; and developed new approaches to community-led research. Further details can be found here:

<https://warwick.ac.uk/services/ris/researchstrategy/researchfunding/enhancing-research-culture/awarded>

Highlights this year include:

- Nurturing talent is core to the delivery of the University's research strategy. Warwick has been successful in securing a large number of research fellowships (172), many of which have helped to further the careers of our younger researchers, who will be key to the UK's future world-leading research. In addition, the University was awarded new funding for doctoral training in interdisciplinary biomedical research, which facilitates partnership with industry. This supplements the University's own investment in doctoral training.
- The Warwick Medical School is undertaking the world's largest non-invasive respiratory support trial for Covid-19, funded by the NIHR, which is leading to important developments in critical care for patients (<https://www.nihr.ac.uk/news/recovery-rs-trial-finds-continuous-positive-airway-pressure-cpap-reduces-need-for-invasive-ventilation-in-hospitalised-covid-19-patients/28366>).

public benefit statement

(continued)

- Warwick research continues to help inform policy. A new report from Dr Siddhartha Khastgir (WMG) identifies the need for a Cross Domain Safety Assurance Framework to ensure the safe introduction of automated transport systems across land, air and marine. Adoption of this framework would enable faster and safer national roll-out of the technologies in the UK, projected to be worth £700 billion globally by 2030.
- As part of the Coventry Very Light Rail (VLR) transport project, Coventry City Council and researchers in WMG showcased a breakthrough new track design which aims to drive down the costs associated with the installation of urban light rail. VLR has the potential to transform public transport in Coventry and in smaller and medium sized towns and cities, enabling the next generation of clean, green transport.
- The University is a partner in the Research England funded TALENT programme, which aims to advance status and opportunity for technicians in UK higher education and research. The programme is led by Midlands Innovation and brings together universities, industry partners and other key stakeholders. In February 2022, the TALENT Commission was launched, bringing together 20 months of research to provide strategic insights into the UK's technical workforce in HE and research. The TALENT Commission sets out a vision for the future of the UK's technical talent and includes 16 overarching recommendations to guide delivery of this vision (www.mitalent.ac.uk/theTALENTcommission).
- Across the University, researchers are contributing to a more sustainable world for everyone. Our work is tackling the future of mobility, working practices, sustainable transport and automotive innovation. Researchers are working to enable fairer food systems, sustainable agriculture and increased crop yields. Our research is also focused on offshore and renewable energy, carbon neutral hydrogen heating and the transformation of battery technology. Our Institute for Global Sustainable Development (IGSD) continues to be at the forefront of knowledge creation that enables transformations towards a more sustainable, prosperous, healthier, and just world for all. Its mission is to provide a focal point for Warwick's sustainable development research, contributing towards the UN Sustainable Development Goals (SDGs) but still challenging of them. The IGSD has an ambitious vision to undertake world-leading transdisciplinary research and capacity development to tackle global challenges and enable transformative change of human-environment interactions, with a particular focus on three cross-cutting thematic - environmental governance, resilient communities, and complex ecosystems/climate change, as well as supporting the University in the delivery of its sustainability strategy.
- The University has led the Monitoring and Evaluation of Coventry City of Culture and developed a collaborative programme of thematic [research](#), [impact](#), and [engagement projects](#) which began in 2017 (<https://warwick.ac.uk/about/cityofculture/our-research/>). The programme includes a diverse range of organisations and communities actively involved in university research projects that seek to give a voice to the seldom heard, connect communities, tell Coventry stories, improve health, wellbeing, and diet, and transform the urban and natural landscape. To support the creative sector during the pandemic, Warwick led the City of Culture University Partnership with Coventry University in the development and launch of a new set of digital collaborations between researchers and artists through the flagship Coventry Creates Programme (<https://warwick.ac.uk/about/cityofculture/artists-researchers/coventry-creates/>). A legacy programme entitled 'Getting Creative with Sustainability' involves local artists and creatives working with Warwick researchers, regional organisations, and communities around regional sustainability challenges to co-create publicly beneficial research, impact and engagement activities. The University is also leading an AHRC commissioned review which focusses on the distinctive role that arts, humanities and social science researchers, in collaboration with other disciplines, can play in place shaping and city transformation.
- The University's commitment to making a difference in the wider world is critically underpinned by a portfolio of translational awards from UKRI. This financial year, Warwick won impact acceleration account funding from MRC, EPSRC and STFC which will drive public benefit from our science and medical research for the next three years.

public benefit statement

(continued)

Corporate social responsibility

Warwick continues to play an anchor institution role within our region. Our regional and community engagement strategy is guided by the University's 2030 vision to be one of the world's exceptional universities, helping to transform our region, country and world for the collective good. Our partnerships ensure we have a real and positive impact on our local area, and that the community benefits from our teaching, research, facilities and other activities.

The Warwick Institute of Engagement (WIE) which was launched in 2021 has continued to bring together Professional Services and Academic staff and students, setting the strategy for and facilitating regular and effective knowledge exchange with a broad public, going out into the community to share Warwick's work and bringing the voices of diverse communities back into the University to co-create research and practices. It builds on Warwick's placement in the top 10% of English universities for Public and Community Engagement in the 2021 KEF results.

WIE has four aims:

- Act as a fully representative pan-University hub for joined-up discussion and co-ordination of public engagement activities.
- Build capacity and expertise amongst Warwick staff and students in order to ensure they are able to communicate and work with regional communities and the wider world in the most compelling and effective way possible.
- Create the right opportunities (face to face and digital) for University staff and students to collaborate with the public, key influencers and decision makers, particularly in relation to Coventry and Warwickshire.
- Enable the University to engage more profoundly and sustainably, locally, regionally and nationally.

WIE now has a core team of 10 experienced professionals and a network of over 130 Fellows from amongst current staff and students and works across fourteen Learning Circles, focused on different aspects of Public Engagement, including inclusive engagement, evaluating and assessing public engagement and the new skills (and formats) of public engagement. This includes 12 Regional Fellows who have been appointed to bring external expertise to support the development of WIE activities and to act as advocates for Warwick's public engagement. WIE also supports engagement with local partners through a co-development fund which has so far supported 14 projects to build engagement collaborations. At the same time, the University has been working to put Public Engagement on the student agenda as part of the Warwick student experience and WIE has a new, full-time role supporting student-led knowledge exchange. All University Research Scholarship Scheme (URSS) projects, for example, now have a required Public Engagement element (which WIE supports students to develop) and WIE has worked with Student Opportunity to launch a dedicated Public Engagement stand-alone URSS project option. Finally, WIE has also launched the Warwick Award for Public and Community Engagement (WAPCE) in order to recognise and reward staff and students who undertaken exceptional Public Engagement work.

In the last year, WIE has interacted with over 14,000 people through its public events. Working closely with a range of community partners, WIE ran the Resonate Festival - a yearlong festival in support of Coventry City of Culture. This included 180 individual events across the city culminating in a 3-day event on the Warwick campus. 240 members of staff, 150 students and 60 regional and national groups were involved in the programme which reached c.8,500 attendees with a further c.5,000 online. The Resonate programme took our research off campus into community settings across the city, making connections between our work and key issues, ideas and concerns that matter to people. WIE now plan to build on the success of Resonate with an ongoing events programme.

public benefit statement

(continued)

The University committed to supporting economic growth in our region, applying our research and innovation and developing skills and talent programmes with regional businesses. We lead the regional hub of the ESRC Productivity Institute, working with regional partners to understand approaches to improve regional economic performance and we have supported Coventry and Warwickshire in focussing the reset and recovery of our economy post-pandemic. We are developing an Innovation campus at Wellesbourne and building our support for key regional growth clusters including Creative Industries, Deep Tech and Health and Wellbeing.

Attracting new firms and investment to the West Midlands is vital for job creation in the region. Research by the University has underpinned economic strategies for the West Midlands Combined Authority (WMCA) that linked firm strategy, the value proposition that the region projects, and an understanding of the jobs created. As a result, the West Midlands is outperforming other parts of the country, creating more jobs and attracting new employers.

A recent independent report has demonstrated how the University of Warwick is helping drive innovation in the West Midlands and supporting growth in the local economy. Businesses within the Warwick Innovation District (WID) raised £34.4m of equity investment in 2021/22. In the period from its launch in 2019/20 to the end of 2021/22 the WID has helped businesses raise over £100m in investment with over 700 businesses started or supported.

An example is Warwick's partnership in 1 Mill Street - a creative industries hub in Leamington Spa which was opened in November 2020. The University supports through incubation of creative start-ups, with 20 companies having joined the programme, and also with networking, events and links to academic expertise. The launch of the Warwick Esports Centre in September 2021 has strengthened links with the local gaming cluster in Leamington Spa and regional development agencies. It also supports young people and community groups through active partnerships with local schools, clubs and colleges.

The University is a partner for the Midlands Future Mobility programme (<https://midlandsfuturemobility.co.uk/>), which is developing the environment that will play a crucial role in shaping the transport sector. The University is also working with Transport for West Midlands (TfWM) and partners in a collaborative two-year project. The campus will become a living lab, so we can test out new mobility ideas, approaches and technologies that could help to address the climate emergency.

The University was one of the founding Principal Partners in Coventry City of Culture 2021, working in close partnership with Coventry University, the City Council and the City of Culture Trust to ensure that Coventry's tenure as UK City of Culture contributed to the Cultural, Social, Economic and Health and Wellbeing targets of the city. We supported key positions in cultural partnerships, project management and research which enabled the City of Culture to move forward successfully through the changing demands of the pandemic. The University funded over 50 collaborative research projects to allow academics to work closely with local community groups to ensure our research benefits the region and in response to the Covid-19 pandemic we launched a new funding call for local artists to respond to research and take part in a digital exhibition. There was alignment with the University's wider cultural engagement through the Resonate Festival (data included under Warwick Institute for Engagement) and through our outreach in the city and particularly in Canley which saw an increase in cultural participation from 7% in 2018 to 53% during UK City of Culture. The University played a crucial role in leading Coventry's Ten Year Cultural Strategy and its 2022 refresh. As well as being a founding member of the Culture Change Coventry Compact, which is designed to capitalise on the impact of Coventry's year of City of Culture and maintain its momentum through into a meaningful legacy for the city.

The University's world-class accessible sports facility aims to inspire and motivate our students, staff and the wider community to engage in an active lifestyle that supports physical and mental wellbeing, and our facilities are used extensively by local schools and clubs. Warwick Sport continues to realise their mission to 'build the most active campus community in the UK' through the provision of a broad range of activities for students, staff and the local community within and outside of our world class facilities. Public membership levels have recovered to above pre-pandemic levels and this year also saw the facilities used as a training venue for the Birmingham 2022 Commonwealth Games. This year also saw our swimming lesson programme grow to over 1,000 young swimmers from the local area learning a valuable life skill.

public benefit statement

(continued)

With the pandemic far from over, Warwick students have retained their strong drive to participate in volunteering. For our partners it has been yet another challenging year; the voluntary sector is still recovering, and schools have only been in the first stages of opening back up; for Warwick Volunteers this has meant that the full spectrum of pre-pandemic opportunities has not yet been restored. However, students have welcomed the return to in person volunteering in the communities surrounding the University; with intergenerational activities operating for the first time since March 2020, far greater numbers participating in conservation and activities such as Warwick Law Clinic restarting.

As part of our commitment to our local community, the Regional and Community Engagement Team ensures that the University is a good neighbour in the way we engage and behave with those communities where we have a major physical, student or staff footprint. The team proactively develops strategic place-making programmes which deliver transformational impact across Coventry, Warwickshire and beyond.

We continue with our longstanding focused work in Canley, building on the Planning for Real engagement process and Covid response in partnership with community leaders. With £200,000 funding from Spirit of 2012, Warwick Arts Centre led the Playing Out in Canley project to embed the arts and creativity in the neighbourhood, bringing people together through a shared experience of making, performing and playing. As part of the Birmingham 2022 Festival linked to the Commonwealth Games, we celebrated the year with the Canley Parade, which saw c.100 residents dance through the streets of Canley, finishing with a Creative Fun Day in the park for c.300 people and an Outdoor Cinema screening of Disney's Encanto for c.450 residents.

In 2022, we commissioned London Economics to carry out a study to measure the University's impact on the UK economy in 2019-20 (<https://warwick.ac.uk/about/regional/ourimpact/>). The report found that the University generates over £1.15 billion for the local economy, in terms of our direct spend with local firms, the money spent locally by our students, and the productivity and output growth we help generate in local businesses. The report also considered the significant social impact of a range of our activities, including engagement of the public with the University and the contribution of graduates to the region.

Social Inclusion

Social Inclusion is one of the four strategic priorities that underpin the University 2030 strategy. The purpose of the Social Inclusion Strategy is to remove economic, social, and cultural barriers that have prevented people from working, studying, and succeeding at Warwick. To achieve this, we have three overarching objectives:

- Increase the diversity of staff to maximise innovation and creativity.
- Develop a culture that supports our students and staff to achieve their potential.
- Become an internationally recognised leader in inclusion.

Warwick continues to build on the strong foundations of our achievements that include:

- Institutional Silver Athena Swan Award with nine silver and twelve bronze Athena Department Awards (<https://warwick.ac.uk/services/socialinclusion/projects/chartermarks/athena>).
- Race Equality Charter Bronze Award (<https://warwick.ac.uk/services/socialinclusion/projects/chartermarks/raceequalitycharter>).
- Stonewall Workplace Equality Index Gold Employer status (<https://warwick.ac.uk/services/socialinclusion/projects/chartermarks/stonewallworkplaceindex>).
- Bronze Disability Smart award (<https://warwick.ac.uk/services/socialinclusion/projects/chartermarks/disabilitystandard>).
- University of Sanctuary status (<https://warwick.ac.uk/study/outreach/universityofsanctuary/>).

Having our work validated by external agencies in this way is most welcome and helps us to learn from and share best practice.

public benefit statement

(continued)

Some of the projects and initiatives contributing to the implementation of the Social Inclusion Strategy over the last year are set out below with further details provided in the Report on Progress (<https://warwick.ac.uk/services/socialinclusion/about/annualreport/>).

Diversity

For Warwick, having diversity represented in our students and staff means that the University can achieve its vision of excellence in education and research. We are working hard to increase the diversity of our staff through initiatives to develop our talent pool and ensuring that our recruitment and promotion processes are fair and transparent. The success of our revised academic promotions process has continued, which has seen significant increases in the number of women and Black, Asian, and other minority ethnic professors able to progress. In addition, following a successful pilot in 2021, we have expanded INspire – our unique leadership programme for disabled, women, LGBTQUIA+, and ethnic minority staff who have an ambition to be a top/executive senior leader. To support our objectives on senior staff diversity, we have identified a number of key performance indicators which we report on annually. <https://warwick.ac.uk/services/socialinclusion/about/strategy/kpis>

Taking initiative from the 'Ban the Box' campaign (https://www.bitc.org.uk/post_tag/ban-the-box/) to remove the previous convictions tick box from application forms, we are going one step further and engaging with local organisations to support prison leavers back into the workplace. This pilot recruitment scheme will involve HM Prison and Probationary Service and external agency Maximus to support skills gaps in Campus Commercial Services Group and Estates.

Through our widening participation work, we continue to welcome a greater diversity of students, including care leavers, students from economically disadvantaged backgrounds, and students seeking sanctuary. We are proud to be a University of Sanctuary, in recognition of our provision of scholarships for refugee and asylum seeker students and work to create a culture of welcome for people seeking sanctuary within and beyond our campus (see Teaching and Learning section).

Culture

We are committed to nurturing an inclusive culture that truly recognises, respects, and fosters diversity and we are engaged in a number of activities to help us to achieve this. This includes our determination to eliminate awarding gaps for our students by working in partnership with them to ensure teaching practices are inclusive and that curricula reflect the diversity of our community. In addition to the Inclusive Education Model (see Section on Teaching and Learning) – which is intended to provide a foundation for whole institutional, structural change – we are facilitating peer mentoring for Black, Asian, and other minority ethnic students which is helping to accelerate our progress.

This year we also hosted our first Social Inclusion Conference (<https://warwick.ac.uk/services/socialinclusion/projects/siconference>) to support the development of an inclusive culture for staff and students; this will become an annual event. In May 2022, we undertook our first institution-wide staff culture survey to better understand what it feels like for our staff community to be working here at Warwick and to explore their sense of belonging. Findings from this survey, and associated focus groups, will be disseminated over this coming year.

Working in partnership with students and staff is an important principle and we have a number of Taskforces (Disability, Gender, LGBTQUIA+, Race Equality, and Religion, Faith, and Belief), which make recommendations to our Social Inclusion Committee (a joint committee of the Senate and Council <https://warwick.ac.uk/services/gov/committees/sic>). In addition, our EDI and Wellbeing Champions and over 1000 Rainbow Allies support and champion inclusion across the University.

public benefit statement

(continued)

Supporting our staff with adjustments and flexibility is also important for creating an inclusive environment. We have completed a full review and update of our workplace adjustments process, responding to staff feedback, and introduced the new My Adjustments Passport. We are also providing 5 days (pro-rated) time off for carers, and resources through the Employers for Carers Platform (<https://warwick.ac.uk/services/socialinclusion/projects/employersforcarers/>), menopause events which are open to all staff regardless of gender and introducing menopause (<https://warwick.ac.uk/services/humanresources/internal/policies/menopause/>) and carers passports and guidelines/policies (<https://warwick.ac.uk/services/humanresources/internal/a-z/carersleave/>).

Leadership

Our work is not just restricted to the campus, with outreach work happening with young people external to the University to improve social mobility and inclusion. The National Scientific Thinking Challenge (<https://warwick.ac.uk/study/outreach/scientifichinking/>) is providing a way for children to demonstrate their skills in science beyond standardised tests and gain confidence in their abilities, creating a more equal assessment of understanding and ability for students of all backgrounds. Now in its second year, 4424 students are taking part in the Challenge in 2022. We are also delighted to be working with EY Foundation, providing young people in the region with work and skills experience, and opening up the University experience. Following successful delivery of two EY Programmes in 2021/22, we have welcomed our first Social Inclusion Intern who will undertake a 6-month Internship, this scheme will expand in 2023 to host two 12-month interns commencing June 2023.

We also want to share the good practice that we have developed and to learn from our partners by engaging with and contributing to regional, national, and international work on social inclusion. Two of our key projects in this area are working with regional partners to deliver the Forum for Leaders of Inclusive Cultures (<https://warwick.ac.uk/services/socialinclusion/projects/flic/>) to engage regional employers on inclusive leadership, and working with European universities through EUTOPIA (<https://warwick.ac.uk/global/partnerships/europe/eutopia/>) and The Guild of European Research Intensive Universities.

In September 2022 we also signed an agreement with Kharkiv National University of Radio Electronics (NURE), Ukraine, as part of an international #twinforhope initiative that is supporting Ukrainian universities during the war.

Responsible Investment

Our investments are managed in line with our Socially Responsible Investment Policy (available at https://warwick.ac.uk/services/finance/corporate_information/socially_responsible_investment_policy/). We consider that environmental, social and corporate governance (ESG) factors have a material impact on investment returns and therefore investment decisions informed by socially responsible and ethical considerations will produce the better overall returns in the long term. Our University Investment Fund is currently managed by Rathbone Greenbank with the portfolio invested in collective funds of ESG-compliant securities. We promote and monitor compliance with the highest standards of research ethics as embodied in UK regulation and practice. We carefully consider the nature of any funding we are offered from an ethical perspective.

public benefit statement

(continued)

Environmental Sustainability

We are firmly committed to sustainability and work in partnership with our staff and students to promote environmental sustainability. Our 2030 Strategy focuses on action through education, research and our sustainable campus, using the UN's Sustainable Development Goals as an overarching framework. We understand that if we want to get to a sustainable future, we'll need the best scientific research to help conceive new ideas, mobilise them, test, learn and improve fast. Our work connects industry and academia, public and private enterprise, to help create practical technologies, systems and products that can help us on our way. Alongside our research and innovation, our education will help to ensure that we can all embrace and drive change. We will seek to understand that we empower people across society to get to a sustainable future and empower communities to embrace new behaviours and ways of living. We seek to lead by example on our campus by developing sustainable transport, energy and a green campus to enhance the environmental sustainability of our University as a key priority. Our Environmental Policy is available at: <https://warwick.ac.uk/about/environment/warwick/policies>

It's our vision to lead the way at Warwick by trialling new ideas and activities that will help to create a greener, cleaner, safer, better world for all, to use our campus as a space for experimentation and innovation before we take ideas and research out into the world and to do this collectively as a community.

In September 2019 we confirmed our target to achieve net carbon neutrality from energy use in 2030 and from all activities in 2050. To assist in working towards these targets, we established a new action group in 2020/21, 'Environmental and Social Sustainability Action Group' (ESSAG), to proactively challenge, guide and steer our future work and renamed the University Estates Committee in 2020/21 as the University Estates and Environment Committee.

Fundraising activities statement

The University is required by the Charities (Protection and Social Investment) Act 2016 to report on fundraising activities.

- The University is registered with the Fundraising Regulator, the independent regulator of charitable fundraising in England, Wales, and Northern Ireland, and operates in line with the Code of Fundraising Practice.
- All fundraising activities are carried out by the Development and Alumni Engagement (DAE) office on behalf of the University. The University's Council has delegated authority to the Fundraising Ethics Committee (FEC) to oversee the institution's Policy on the Solicitation and Acceptance of Gifts.
- DAE employs a team of internal fundraisers, as well as student telephone fundraisers. The University does not employ external fundraisers or commercial operators for fundraising purposes. We raise donations through a variety of means, including face-to-face meetings, corporate philanthropy, applications to charitable trusts, and the use of postal, email and telephone campaigns.
- The University provides regular opportunities for alumni to support us, while ensuring that any fundraising approach protects people from unreasonable intrusion or feeling under undue pressure. We offer everyone the opportunity to opt out of some, or all, fundraising approaches. These preferences are recorded on the central database and implemented in all communications.
- All fundraising activities are monitored through strict internal University procedures and recorded on a central database, which is managed in accordance with data protection legislation. We ensure our staff are trained and informed on all relevant regulations and follow best practice through annual Performance Development Reviews.
- Of over 160,000 alumni contacted, we received 49 complaints about our fundraising activities during the year 2021-22.

Our Environment and Sustainability

The University has confirmed its target to achieve net-carbon neutrality from energy use in 2030 and from all activities in 2050 in line with UK Government and COP21 Paris Climate Change agreement.



West Midlands Cycle Hire and e-scooters available to hire from campus



University of Warwick declares a state of Climate Emergency November 2019



In 21/22
over 35%
of the electricity we consumed came from renewable sources



Delegation observer status awarded for **COP26** in 2022



Over **1000** Green Champions provide our community with a voice on sustainability



Total generating capacity of solar panels on university buildings increased from 728kWp in 2020 to **1207kWp** in 2022.



Most new buildings achieve EPC A or BREEAM Excellent and all achieve at least EPC B and BREEAM Very Good

Students are encouraged to engage with sustainability issues through teaching, research and student society projects, including the provision of optional modules, and courses such as the Global Sustainable Development degree or an MSc in Sustainable Energy Technologies.

carbon emissions

	2021/22	2020/21
Energy consumption used to calculate emissions (kWh)		
Gas ¹	172,834,233	173,977,971
Grid Electricity	33,513,471	28,194,573
Petrol and Diesel	460,627	327,800
LPG for heating	35,697	33,396
	206,844,028	202,533,740
Scope 1 emissions (tCO₂e)		
Gas	31,549	31,866
Petrol and Diesel	111	77
LPG	8	7
	31,668	31,950
Location Based Scope 2 emissions (tCO₂e)		
Grid Electricity	6,481	5,987
	38,149	37,937
Less: Scope 2 emissions re electricity procured from accredited renewable sources (tCO ₂ e)	(4,869)	(1,004)
	33,280	36,933
Total Location Based Scope 1 and 2 emissions from University activities (tCO₂e) excluding scope 2 emissions where suppliers are certified for providing 100% renewable electricity		
	33,216	36,870
Less: estimated carbon capture sequestration on campus	(64)	(63)
	31,816	35,415
Intensity ratios³		
tCO ₂ e/student FTE	1.25	1.44
tCO ₂ e/research £'000	0.24	0.26
tCO ₂ e/staff FTE	5.14	5.78

¹Gas energy consumption includes gas burnt in energy centres for the supply of heat and electricity to third parties. Energy consumed for this purpose (kWh)

² Scope 1 emissions include those arising from gas burnt in in energy centres for the supply of heat and electricity to third parties.

³ Ratios calculated using Net Market Based Scope 1 and 2 emissions created by University activities (tCO₂e) including gas burned in energy centres for supplying heat and electricity to 3rd parties.

carbon emissions

(continued)

Basis of calculation

Whilst the disclosure of emissions is currently voluntary for the Higher Education sector, the University believes it is good practice to disclose its emissions. This disclosure has been prepared to align with the 2019 HM Government Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard.

Energy consumption is mostly taken from meter readings. Where no meter readings are available, industry body benchmarks have been applied (e.g. consumption per building floor area). The related carbon emission is then determined by using 2021 and 2022 Conversion Factors published by the UK Government for greenhouse gas reporting <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

Location-based scope 1 and 2 emissions are reported gross and also net of emissions relating to electricity procured from accredited renewable sources. Only certified energy suppliers with 100% renewable fuel mix which are passed through to customers are reflected in this adjustment, with emissions from other electricity supply being reflected in line with UK grid average emissions. Where the University procures electricity it now uses solely 100% renewable sources.

This disclosure reflects University Group Activities and excludes all emissions from third parties operating in University buildings. This follows the methodology of the 2019 HM Environmental Reporting Guidelines to report on units within the organisation's financial and operational boundaries.

A prudent estimate of total CO₂e sequestered on campus by the University's trees is provided, based on current tree survey methods which we will continue to develop. The University will continue to grow its carbon offset potential through an ongoing tree planting programme and other natural asset initiatives on University grounds, in 21/22 more than 1200 trees and 300 metres of hedgerows were planted.

Intensity Ratios

The chosen intensity measurement ratios are net Scope 1 & 2 carbon dioxide equivalent emissions in metric tonnes (tCO₂e) per student FTE, per £'000 of research income and per staff FTE, reflecting the combination of teaching, research and supporting activities that the University undertakes.

Movement between 20/21 and 21/22

Total location-based scope 1 and 2 emissions from University activities have increased slightly by 0.6% between the reporting years due to a mix of factors. The overall reduction in gas consumption between the years was driven by milder weather (1,858 heating degree days¹ in 2021/22 compared to 2,210 in 2020/21), gas savings from milder weather were, however, partially offset by higher utilisation of the University's substantial gas fired combined heat and power (CHP) installations (6% year on year increase in electrical output). Increased electricity usage due to staff and students returning to campus driving higher demand were mitigated by the reduction in the grid average electricity carbon factor which fell by 9% between years.

Most of the petrol and diesel consumption relates to grounds maintenance, portering, shuttle buses, and agricultural vehicles at the Wellesbourne campus. Fuel emissions have increased in line with greater campus activity following a reduction in COVID-19 restrictions.

¹ Heating degree days give an indication of the thermal energy required for heating based on outside air temperatures.

carbon emissions

(continued)

LPG is used for heating and hot water in a mixed use building at the University. This property is used intermittently and an increase in occupancy in the 2021/22 reporting year resulted in an increase in LPG related carbon emission.

Carbon emissions movements for Scope 1 follow year on year variances in the energy consumed for each given fuel.

Net Market Based Scope 1 and 2 emissions from University activities, excluding gas burned in energy centres for supplying heat and electricity to 3rd parties, decreased by 10% between the reporting years due to changes in grid electricity suppliers and reductions in gas consumption. Following the change of contracts during the year, the level of electricity procured from certificated renewable sources increased to 80% of total electricity purchased in the 21/22 reporting year. The University is committed to renewable purchases for all future electricity contracts.

University climate emergency statement, measures taken to improve energy efficiency

In 2019 the University announced its target to reach net zero carbon from our direct emissions (scope 1 and 2) and the energy we buy by 2030.

There are continuous efforts to reduce energy demands through building performance analysis, investment in existing building stock and behaviour change campaigns. Higher energy performance standards are in place for new builds alongside zero carbon fuel sources. As noted above, following the end of contracts in October 2022, all purchased grid electricity has been from renewable sources.

The University is also putting in place initiatives to significantly reduce its indirect emissions with the aim of achieving net zero carbon for both direct and indirect emissions (scope 1, 2 and 3) by 2050. Ambitious embodied carbon targets for new builds and a new travel policy are in place to encourage lower carbon travel. More can be found at https://warwick.ac.uk/about/environment/news/climate_emergency_declaration

The University has a Socially Responsible Investment policy at https://warwick.ac.uk/services/finance/corporate_information/socially_responsible_investment_policy/

corporate governance

The University

1. The University has charitable status as one of the exempt charities listed in Schedule 3 to the Charities Act 2011. It is therefore exempt from certain requirements of that Act, including the need to register with the Charity Commission. The Office for Students (OfS) is the “principal regulator” for charity law purposes of those English universities which are exempt charities and the current regulatory framework has been in effect since 1 August 2019. The University’s legal status derives from a Royal Charter originally granted in March 1965. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, which were modernised with effect from 13 February 2019, following a review of the University’s Governing Instruments in 2018/19.
2. The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities that had been provided by the OfS and the Committee of University Chairs (CUC) in the Higher Education Code of Governance. A ‘fit and proper’ test for all members of the University Council has been adopted. The University is mindful of its charitable purpose and its strategy aims to encompass its public benefit role.

The University Council

3. The University Council is the executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It has a majority of members from outside the University (described as independent members), from whom the Chair, Vice-Chair and the Treasurer are drawn. Also included in its membership are representatives of the staff of the University and the student body. None of the independent members receive any payment, apart from the reimbursement of reasonable expenses, for the work that they do for the University.
4. The Terms of Reference for the University Council and each of its Committees are publicly available on the University’s website (<https://warwick.ac.uk/services/gov/committees/>), as well as a diagrammatic representation of the University’s Committee structures (<https://warwick.ac.uk/services/gov/committees/diagram/>). The University makes redacted minutes of each University Council meeting publicly available via its website, alongside the full agenda (<https://warwick.ac.uk/services/gov/committees/council/minutes>). Papers that are not confidential are readily available from the Modern Records Centre (<https://warwick.ac.uk/services/library/mrc>). The Scheme of Delegation, developed during 2018/19 and approved by the University Council in October 2019, is also available on the University’s website (<https://warwick.ac.uk/services/gov/calendar/schemeofdelegation>). The Scheme of Delegation is reviewed and presented to the University Council for approval annually.
5. The University Council has continued to work in conjunction with the Senate to monitor compliance with the OfS’s ongoing conditions of registration, any terms and conditions of funding, as well as any other relevant regulatory responsibilities. The University Council will receive information explicitly describing the ways in which the organisation has complied with these terms and conditions, at the same time as it receives information required for submission for the OfS’s Annual Accountability Return.
6. The University Council approves its Code of Practice on Corporate Governance and Statement of Primary Responsibilities annually. A copy of the Code of Practice on Corporate Governance can be obtained from the University’s website. The Responsibilities of the University Council are set out on pages 35 and 36 of these accounts.

corporate governance

(continued)

7. The University Council normally meets formally at least five times each academic year. The University Council is supported by a number of sub Committees, as outlined in its Code of Practice on Corporate Governance. Reports from each sub Committee, as well as from the Senate, inform the work of the University Council.
8. During the financial year ending 31 July 2022 (and continuing except where indicated), the following individuals were members of the University Council: D Normington (Chair), L Ainsworth, Y Akinola, G Bennett, A Bhalla (Vice-Chair to 31 December 2022), B Claire, Professor S Croft (Vice-Chancellor and President), S Dzumbira (as Students' Union President from 1 August 2021 to 31 July 2022), Professor C Ennew (Provost), J Furse, R Hyde, Professor S Jacka (until 1 August 2022), Dr D Keith (until 1 August 2022), J Jefferson (as Democracy and Development Officer from 1 August 2021 to 31 July 2022), Professor D Leadley (until 1 August 2022), Professor A Lockett, Professor R Moseley, J Nickalls, A Penfold, N Sachdev (Treasurer), G Tucker.

For the subsequent period, 1 August 2022 onwards, to the approval of these financial statements (and beyond): W Brewer (as Students' Union President from 1 August 2022), Professor Lorenzo Frigerio (from 1 August 2022), Professor Naomi Waltham-Smith (from 1 August 2022), and J Sperry (as Democracy and Development Officer from 1 August 2022).

9. The University maintains a Register of Interests of members of the University Council which may be consulted by arrangement with the Secretary to Council. An anonymised version of the Register of Interests was made available on the University website from November 2020. All members of the University Council, and sub-Committees, are requested to declare any conflicts of interest in relation to the agenda of each meeting.
10. The Secretary to Council plays a key role in the operation and conduct of Council business and provides advice to the Chair of Council on all matters of procedure and in respect of any matters where conflict, potential or real, may occur. All members of the governing body have access to the services of the Council Secretariat.

The Audit and Risk Committee

11. There is ongoing oversight of risk management, control and governance by the Council's Audit and Risk Committee (A&RC), which seeks assurance from a number of sources, including: the University's internal audit service; the University's external auditors; reports from external funding and quality assurance bodies; reports from the Strategic Risk Advisory Board; management representations, and deep dive reviews of areas of particular significance. The Chair of the A&RC reports to the University Council at every meeting.

Finances and Public Funds

12. Under the terms and conditions of OfS funding, the University Council is responsible for the University's use of public funds. Acting on behalf of the University Council, the Vice-Chancellor and President, as the Accountable Officer, has overall responsibility for ensuring that all public funds are properly used and the University achieves value for money. The Vice-Chancellor and President is supported in this regard by the Executive Team, who manage various related processes and systems.
13. The University's system of internal controls and governance structures ensure regularity and propriety in the use of funds, including all public funds, via the following.

corporate governance

(continued)

14. Processes:
- a) As detailed in the Statement of Internal Control, the University Council is responsible for maintaining a sound system of internal control that safeguards the public and other funds and assets for which it has responsibility.
 - b) The University maintains a comprehensive suite of Financial Regulations and Procedures, giving control over the totality of the University's resources and providing 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. Anyone with a contractual relationship with the University (including all employees and honorary staff) is required to abide by the Financial Regulations and Procedures.
 - c) The University is required to adhere to key funder rules, in addition to the requirements of its own Financial Regulations and Procedures, and operates various controls to do this.
 - d) The University's Internal Audit function provides assurance to management and the A&RC. Internal Audit makes recommendations for improvement in key management processes. It particularly aims to ensure that key risks are being appropriately managed, including those in relation to the use of funds and value for money.
15. Reporting and Planning:
- a) The University produces departmental financial reports throughout the year, as part of quarterly financial performance reporting for the University as a whole, enabling departmental heads and the University Executive team to understand and manage the financial position.
 - b) Financial performance and updated forecasts are provided to the University Executive Board (UEB) and the Finance and General Purposes Committee (FGPC). The Group Finance Director and the Chair of the FGPC report at each University Council meeting on matters that the FGPC has discussed since the last Council meeting, and on anything that requires Council approval or note.
 - c) The University Council annually approves the financial statements providing the out turn for the year ended 31 July and the Financial Plan covering future years, as required by the OfS. The Financial Plan supports the University in delivery of its strategy whilst protecting its future financial viability and sustainability.
 - d) The University has in place an Access and Participation Plan, approved by the OfS.
16. Committees.
- a) The following Committees support the University Council in various financial aspects.
 - b) The University Council has delegated responsibility for the close monitoring of finances to the FGPC. The role of the FGPC includes:
 - i. Advising and making recommendations to the University Council regarding the financial management of the University within the context of the University Financial Plan. This includes monitoring the implementation of the University's financial strategy; overseeing the University's strategic financial planning; recommending to the Council the University's annual capital and revenue budget and financial plan, and approving release of resources in line with budget and plan; monitoring of financial performance against budget; review and approval of the University's financial regulations and procedures.
 - ii. Monitoring the economy, efficiency and effectiveness of the deployment of the University's resources, liaising with the A&RC as appropriate.
 - c) The Financial Plan Sub Committee (FPSC), a sub Committee of the FGPC, has responsibility for detailed review of the Financial Plan, including the authority to approve new expenditure up to defined limits, and also reports to the FGPC on its approval of Transparent Approach to Costing (TRAC) and TRAC(T) returns to the OfS, on behalf of the University Council.

corporate governance

(continued)

The Remuneration Committee

17. The University Council has delegated the following authority to the Remuneration Committee:
- a) The determination of the remuneration of senior members of the University staff whom it is deemed appropriate, including but not exclusive to:
 - Vice-Chancellor and President;
 - Provost;
 - Registrar;
 - Pro-Vice-Chancellors;
 - Vice-Presidents;
 - Group Finance Director;
 - Commercial Director;
 - Chief Information and Transformation Officer;
 - Chief Communications Officer;
 - Secretary to Council;
 - Vice-Provosts and Chairs of Faculty;
 - Executive Chair of Warwick Manufacturing Group;
 - Executive Dean of Warwick Manufacturing Group;
 - Executive Dean of Warwick Business School;
 - Executive Dean of Warwick Medical School; and
 - Any other senior role which has a significant influence over reward policy.

 - b) The determination of the level of severance pay to be awarded to those members of staff whose salary exceeds £100,000.

The University Council appoints members of the Remuneration Committee who have expertise in leadership and/or senior remuneration in other sectors. The constitution of the Remuneration Committee during 2021/22 was as follows: Chair of the Council (Chair), Treasurer, three independent members appointed by the Council, with expertise in leadership and/or senior remuneration in other sectors, of whom a minimum of two will be serving independent members of the Council (Louise Ainsworth, James Furse, Anne-Marie Headley, Lea Paterson). The Remuneration Committee meets four times each year. It reports annually to the Council on the work of the Committee, including decisions taken under delegated authority. The Remuneration Committee exercises its delegated authority on behalf of the University Council within an agreed remuneration policy framework. Any matters in relation to remuneration or severance pay that do not fall within the approved remuneration policy framework or the delegated authority of the Committee are referred to the University Council for approval.

In proposing and applying the framework, the Remuneration Committee had regard to 'Guidance on decisions taken about severance payments in HEIs' published by the CUC, as required by the OfS. The framework for University Senior Remuneration 2021/22 has been approved by the University Council and is published online: <https://warwick.ac.uk/services/gov/committees/rc/rcframework22>. In addition, the Remuneration Committee approves annually the operating framework within which the Vice-Chancellor shall exercise their authority to determine senior remuneration, and receives an annual report on the work of the University Executive Board (Remuneration). The constitution and terms of reference of the Remuneration Committee are available in the Code of Practice on Corporate Governance. In terms of all recruitment to the University we provide a welcoming and inclusive working and learning environment, recognising and respecting all individuals' differences. We therefore welcome applications from people who identify with any of the Protected Characteristics, such as race/ethnicity, disability, sexual orientation, or gender identity/expression.

corporate governance

(continued)

The Senate

18. The Senate is the academic authority of the University and draws its membership entirely from the staff and the students of the institution. Its role is to direct and regulate the teaching and research work of the University. Whilst the University Council and the Senate have clearly defined functions and responsibilities, there is active consultation and interaction between the two bodies.

The Vice-Chancellor

19. The principal academic and administrative officer of the University is the Vice-Chancellor and President who has a general responsibility to the University Council for maintaining and promoting the efficiency and good order of the University. Under the Regulatory Framework for Higher Education in England between the University and the OfS, the Vice-Chancellor and President is the Accountable Officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.
20. As Chief Academic and Administrative Officer of the University, the Vice-Chancellor and President exercises considerable influence upon the development and implementation of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Vice-Chancellor and President is supported by the senior executive team.

Other

21. Any enquiries about the constitution and governance of the University should be addressed to the Secretary to Council.
22. This statement relates to the period covered by these financial statements, and the period up to the date of approval of these audited financial statements.

statement of internal control

The Council is responsible for maintaining a sound system of internal control which identifies and manages risk linked to the achievement of the aims and objectives of the University, and the efficacy of its policies, whilst safeguarding the public and other funds and assets for which it has responsibility.

A system of control is designed to identify, evaluate and mitigate risk to a reasonable level rather than to eliminate all risk, and therefore can only provide reasonable and not absolute assurance of effectiveness.

Key elements of the system of internal control, which are designed to discharge the responsibilities set out above, include the following:

- Approval of University strategy by the Council, whose membership includes a majority of external members, together with academic professional services and student representation.
- Monitoring the performance of the University through the annual consideration by the Council and other relevant Committees of Key Performance Indicators and Transformational Milestones.
- An annual and forward looking operating and capital planning process that combines top-down and bottom-up input, and is subject to challenge and scrutiny via a range of appropriately informed Committees.
- Quarterly monitoring of financial performance and updates to forecast out-turns.
- Clearly defined requirements for control of expenditure, including the appointment of staff, investment and borrowings, together with comprehensive Financial Regulations and Procedures.
- An Internal Audit function that undertakes investigative work to identify any areas of weakness in compliance with University policies, procedures and internal controls, primarily based on an agreed audit plan, but also in response to the identification of emerging risks or in response to actual issues.
- Newly developed central repository of institutional compliance obligations.
- Newly developed institutional Compliance & Assurance Framework, designed to provide consistency in institutional compliance management across different areas, and reduce the risk of non-compliance through documenting and ensuring effective compliance processes, training, controls, reporting and remediation.

The Audit and Risk Committee, whose membership is entirely external, plays a key role in providing the Council with objective assurance that its system of internal control is effective. The Audit and Risk Committee provides reports to the Council at each of its meetings, in addition to providing its formal opinions on the adequacy and effectiveness of Warwick's arrangements for risk management, control and governance, economy, efficiency and effectiveness, and the management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, the Office for Students (OfS) and other bodies in its Annual Report to the Council.

- The Audit and Risk Committee provides challenge on operational, financial and risk matters coming before it and, where appropriate, monitors agreed actions to ensure that changes and recommendations are duly implemented.
- The Audit and Risk Committee receives regular reports from the Head of Internal Audit that provide an overview of internal control matters (in the main as set out in the agreed Internal Audit Plan), including an opinion on the adequacy and effectiveness of the University's systems of internal control, together with recommendations for improvements. The work and conclusions of Internal Audit provide the primary source of evidence for the Audit and Risk Committee's opinion on the adequacy and effectiveness of the University's internal control arrangements and subsequent improvements that may be required.
- Additionally, the Audit and Risk Committee considers an annual report from the Head of Internal Audit that provides and evidences an opinion on the adequacy and effectiveness of the University arrangements for economy, efficiency and effectiveness (value for money) as well as risk management, control and governance, in addition to a report summarising the data management and returns assurance processes.

statement of internal control

(continued)

- Representatives from the University's External Auditors attend the meetings of the Audit and Risk Committee, providing various reports on developments in the sector, as well as their External Audit Strategy and Planning Memorandum in May, and their Management Letter relating to the Financial Accounts for the year in November. The Management Letter provides the Committee with assurance as to the effectiveness of the University's controls in preparing the Financial Accounts, and compliance with accounting and regulatory guidance.
- The Audit and Risk Committee meets on, at minimum, an annual basis with Internal Audit as well as External Audit without University management being present.
- The Audit and Risk Committee also receives periodic reports on the management of the University's significant risks and on specific areas of internal control.

The Audit and Risk Committee has oversight of the University's risk management strategy and policy on behalf of the Council.

- The University operates a system of risk management designed to identify the significant risks to the achievement of the University's strategy, to evaluate the nature and extent of those risks and to manage them effectively.
- The Council holds ultimate responsibility for ensuring the effective and efficient management of institutional risk. The Council monitors formally the institutional risk profile twice a year and is ultimately responsible for the University's key risks. A broader sector-wide discussion is on an annual basis.
- The Senate maintains an oversight of all academic risks facing the institution. The Senate undertakes strategic planning activities in relation to academic risk identification.
- The University Executive Board (UEB), via the Strategic Risk Advisory Board (SRAB), has responsibility for the initial identification and oversight of risks associated with the University Strategy, as well as monitoring key institutional financial and strategic/capital project risks. It has the oversight of resource prioritisation in a risk/opportunity context. It undertakes regular strategic planning activities in relation to strategic risk identification.
- The Academic Resourcing Committee, Professional Services Group and Campus and Commercial Services Group consider departmental risk assessments, maintain oversight of key department risks throughout the year, and escalate those that could have significant institutional impact.
- SRAB supports the UEB through reviewing risks from across the institution to ensure effective identification and escalation of risks to UEB for potential inclusion on the Strategic Risk Register. The SRAB encourages the adoption of the principles of business continuity planning. The Audit and Risk Committee also receives periodic reports on the management of the University's significant risks and on specific areas of internal control. The Audit and Risk Committee has received detailed reports from the Chief Information and Digital officer related to the ICO audit, the Data Protection Officer related to the monitoring of data breaches and Freedom of Information Requests, and the Secretary to Council on Whistleblowing enquiries.
- During 2021/22, and in response to the Coronavirus pandemic, the Covid-19 Working Group supported the UEB through its responsibility for operational and compliance with government guidelines, risk identification, analysis, evaluation and monitoring, including the easing of restrictions on campus.
- Heads of Department and individual risk owners, with support from the Risk and Resilience team, are responsible for the consideration and dynamic management of risk within their remit.
- The University recognises the need to identify, understand and manage the risks inherent in the changing operating environment, and in developing strategies in response, and therefore consideration of risk is explicit in the development and implementation of strategy, and is required as part of any business case and as part of the management of institutional projects.

statement of internal control

(continued)

Risk Management

The University has a Risk Management Policy which is approved by the Council. The policy sets out the approach to risk management and is a guide for individuals and committees whose responsibilities include some or all of the elements of risk management or oversight.

Full details of the Risk Management Policy that has been active through 2021/22 are available here:

https://warwick.ac.uk/services/gov/riskmanagement/risk_management_policy.pdf

All senior managers and heads of departments are required to implement the Risk Management Policy and ensure colleagues are appropriately equipped to manage risk within their responsibilities. The policy is currently being updated to reflect changes to risk management processes that are being implemented across the University, including references to risk appetite statements and the Strategic Risk Advisory Board, these updates have received an initial review by the Policy Oversight Group, with further work being carried out on risk appetite before progressing through its usual approval route.

Risk management operates across all levels of the University, from daily departmental activities and the management of projects, to formal bodies charged with institutional governance, decision-making and institutional strategy-setting. Irrespective of the level at which risk management is operating, the definition of risk used by the University is: 'The combination of the probability of an event and its consequence impacting upon the achievement of agreed objectives. Consequences can range from positive to negative'. The definition of risk management used by the University is: 'The process by which uncertainty is quantified (where possible), assessed, recorded and managed in order to enable innovation and support good, well-informed decision-making at all levels of the institution'.

Risk Management at the University adheres to five guiding principles. Risk management should be:

- **Proportionate** to the level of risk with the institution
- **Aligned** with other business activities
- **Comprehensive**, systematic and structured
- **Embedded** within the business processes of the institution
- **Dynamic** and responsive to emerging and changing risks.

The Risk Management policy and the guiding principles have been adopted by the Business Continuity Recovery Programme (BCRP) and subsequent Covid-19 Working Group in their management of risks associated with the Coronavirus pandemic.

The University has a Risk Management Framework and illustrates the coordination of the risk management activities that take place across all parts of the University. It shows how assurance is provided to the University Executive Board and the Council that the process of identification, management and reporting of risks is taking place effectively at all levels.

The Council is ultimately accountable for ensuring that effective risk management is undertaken by the University. The Council must be kept informed of the University's total risk portfolio when reaching its decisions as well as receiving appropriate assurance as to the effectiveness of the processes in place to monitor and assess the University's risks. The Council has delegated to the Audit and Risk Committee the responsibility for concluding on the adequacy and effectiveness of the processes in place for the management of risk. In forming its judgement on an annual basis, the Audit and Risk Committee takes into account the work of the Internal Audit function. Internal Audit undertakes an annual assessment of the institution's overall risk management by assessing the adequacy and effectiveness of local risk management processes as part of their programme of audits. The Risk Management Framework is included within the planning process, which results in either a full review or a review of specific elements of the framework guided by the level of change taking place. The Council formally considers the strategic risk register as part of its annual programme of business. The Council has recently included a KPI for risk management and this is reviewed alongside the University's strategic KPIs.

statement of internal control

(continued)

This statement relates to the period covered by these financial statements, and the period up to the date of approval of these audited financial statements. The system of internal control has operated as intended and there were no significant control failures during the period. The University continues to strengthen its control over its arrangements for data security and compliance in the light of the external environment.

statement of primary responsibilities of the council

of the University of Warwick

This Statement is based on the Model Statement contained in the Higher Education (HE) Code of Governance published by the Chairs of University Committees (CUC) in September 2020, adapted to reflect the powers and responsibilities that the Council of the University of Warwick derives from the University Statutes.

The Council is the governing body of the University and its members are the trustees in relation to the University's status as an exempt charity. Subject to the powers of the Senate as provided for in the University Statutes, it has ultimate responsibility for the affairs of the University. It is responsible for reviewing the work of the University and taking such steps as it thinks proper for the purpose of advancing the interests of the University, maintaining its efficiency, encouraging teaching, the pursuit of learning and the prosecution of research and providing for the recreation and well-being of students.

Consistent with the University's constitution, the primary responsibilities of the University Council are as follows:

1. To enable the University to achieve and develop its mission and primary objectives of learning, teaching and research.
2. To approve and keep under review the University's long-term academic and strategic plans, including key performance indicators, and ensuring that these meet the interests of the University's stakeholders and beneficiaries, especially staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against its plans and approved key performance indicators. Where possible and appropriate, these shall be benchmarked against other comparable institutions.
4. To delegate authority to the Vice-Chancellor and President for the effective academic, corporate, financial, estate and human resource management of the University.
5. 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 Vice-Chancellor and President.
6. To ensure the establishment and monitoring of systems of control and accountability, including transparent financial and operational controls and risk assessment, value for money arrangements and clear procedures for handling internal grievances and for managing conflicts of interest.
7. To establish processes to monitor and evaluate the performance and effectiveness of the Council and the University's systems of governance and decision-making.
8. To conduct its business in accordance with best practice in higher education corporate governance, with the principles of public life drawn up by the Committee on Standards in Public Life, and with due regard to the Charity Commission's guidance on public benefit.
9. To safeguard the good name and values of the University and to be responsible for the ethical governance of the University.
10. To appoint the Vice-Chancellor and President as Chief Academic and Administrative Officer of the University and the Office for Students' Accountable Officer and to put in place suitable arrangements for monitoring their performance.
11. To appoint the Secretary to the Council and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

statement of primary responsibilities of the council

of the University of Warwick (continued)

12. To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate human resources strategy is established for the University.
13. Subject to the powers of the Senate, to be the principal financial and business authority of the University, to ensure that proper books of account are kept and, to approve the University's annual budget and financial statements and to have overall responsibility for the University's assets, property and physical estate. The Council has to ensure that the going concern basis is appropriate for the preparation of the financial statements and to be satisfied that they give a true and fair view. The Council is required to prepare financial statements in accordance with the University Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards, as well as the Accounts Direction issued by the Office for Students.
14. To be the University's legal authority and to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
15. To receive assurance that adequate provision has been made for the general welfare of students.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
17. To determine regulations for the custody and use of the common seal of the University.
18. To be responsible for effective planning, ongoing control, monitoring and review of the University's health and safety management procedures.
19. To approve changes to University Statutes and to ensure that the University's constitution is followed at all times and that appropriate advice is available to enable this to happen.
20. To promote a culture which supports inclusivity and diversity across the University.
21. In partnership with the Senate, to maintain and protect the principles of academic freedom and freedom of speech legislation.
22. To ensure that all students and staff have opportunities to engage with the governance and management of the University by operating in an open, honest and accountable manner and allowing for a range of perspectives to have influence.

independent auditor's report

to the Council of the University of Warwick

report on the audit of the financial statements

opinion

We have audited the financial statements of the University of Warwick ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Cash Flow Statement 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 2022, 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.

independent auditor's report

to the Council of the University of Warwick (continued)

fraud and breaches of laws and regulations – ability to detect

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

- Enquiring of the Council, the Audit and 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 Council, Audit & Risk Committee and Finance & General Purposes 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 performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that research grant income is inappropriately recognised due to either incorrect overhead recovery or non-compliance with terms and conditions of the grant, 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 journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. This included journals linked to accounting estimates and journals posted with unusual account combinations.
- Assessing significant accounting estimates for bias.

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

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

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 companies legislation), taxation legislation, charities legislation, pensions legislation and specific disclosures required by higher education and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to

independent auditor's report

to the Council of the University of Warwick (continued)

identifying and responding to risks of material misstatement due to non-compliance with laws and regulations (continued)

have such an effect: compliance with the regulatory framework of the Office for Students, recognising the regulated 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.

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 Financial Highlights, the Financial Review, the Public Benefit Statement, the Carbon Emissions Statement, the Corporate Governance Statement, the Statement of Internal Control and the Indicators of Financial Health. 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 35, 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 the Council of the University of Warwick (continued)

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 11 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 5 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 the Charters and Statutes of the institution. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Mark Dawson
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH

consolidated and university statement of comprehensive income

for the year ended 31 July 2022

	Note	Consolidated		University	
		2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Income					
Tuition fees and educational contracts	2	429.6	389.7	429.6	389.7
Funding body grants	3	68.7	66.8	68.7	66.8
Research grants and contracts	4	139.9	139.8	139.9	139.8
Other income	6	135.4	100.7	127.1	95.4
Investment income	7	2.0	1.0	1.9	0.9
Donations and endowments	8	3.4	5.7	3.4	5.6
Total income		779.0	703.7	770.6	698.2
Expenditure					
Staff costs	9	569.6	368.5	553.6	358.2
Other operating expenses		237.6	197.7	245.5	203.0
Depreciation	14	54.6	53.0	53.4	51.8
Interest and other finance costs	12	8.3	8.5	8.3	8.5
Total expenditure		870.1	627.7	860.8	621.5
(Deficit) / surplus before other gains or losses		(91.1)	76.0	(90.2)	76.7
Loss on disposal of non-current assets	13	(0.1)	(0.7)	(0.1)	(0.7)
(Loss) / gain on investments		(2.0)	4.0	(2.0)	3.3
(Deficit) / surplus before tax		(93.2)	79.3	(92.3)	79.3
Taxation		0.0	0.0	0.0	0.0
(Deficit) / surplus for the year		(93.2)	79.3	(92.3)	79.3
Actuarial gain / (loss) in respect of pension schemes	23	12.1	(4.6)	12.1	(4.6)
Change in fair value of hedging financial instruments	21	22.2	12.7	22.2	12.7
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR		(58.9)	87.4	(58.0)	87.4
Represented by:					
Endowment comprehensive income and expenditure for the year		(0.1)	1.3	(0.1)	0.7
Unrestricted comprehensive income and expenditure for the year		(58.8)	86.1	(57.9)	86.7
Attributable to the University		(58.9)	87.4	(58.0)	87.4

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 45 to 85 form part of these financial statements.

consolidated and university statement of changes in reserves

for the year ended 31 July 2022

Consolidated	Income and expenditure account		Total
	Endowment £ million	Unrestricted £ million	£ million
Balance at 1 August 2020	11.6	321.6	333.2
Surplus from the income and expenditure statement	1.3	78.0	79.3
Other comprehensive income and expenditure	0.0	8.1	8.1
Total comprehensive income and expenditure for the year	1.3	86.1	87.4
Balance at 1 August 2021	12.9	407.7	420.6
Deficit from the income and expenditure statement	(0.1)	(93.1)	(93.2)
Other comprehensive income and expenditure	0.0	34.3	34.3
Total comprehensive income and expenditure for the year	(0.1)	(58.8)	(58.9)
Balance at 31 July 2022	12.8	348.9	361.7
University	Income and expenditure account		Total
	Endowment £ million	Unrestricted £ million	£ million
Balance at 1 August 2020	6.3	290.4	296.7
Surplus from the income and expenditure statement	0.7	78.6	79.3
Other comprehensive income and expenditure	0.0	8.1	8.1
Total comprehensive income and expenditure for the year	0.7	86.7	87.4
Balance at 1 August 2021	7.0	377.1	384.1
Deficit from the income and expenditure statement	(0.1)	(92.2)	(92.3)
Other comprehensive income and expenditure	0.0	34.3	34.3
Total comprehensive income and expenditure for the year	(0.1)	(57.9)	(58.0)
Balance at 31 July 2022	6.9	319.2	326.1

consolidated and university statement of financial position

as at 31 July 2022

		Consolidated		University	
	Note	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Non-current assets					
Fixed assets	14	849.7	862.5	838.7	850.4
Investments	15	33.0	30.4	34.7	32.1
		882.7	892.9	873.4	882.5
Current assets					
Stock	16	1.1	0.7	1.0	0.7
Trade and other receivables	17	63.0	55.7	72.1	59.7
Investments	18	161.8	49.0	161.8	49.0
Cash and cash equivalents		187.5	216.2	175.9	204.7
		413.4	321.6	410.8	314.1
Less: Creditors : Amounts falling due within one year	20	(241.7)	(238.5)	(266.1)	(257.9)
Net current assets		171.7	83.1	144.7	56.2
Total assets less current liabilities		1,054.4	976.0	1,018.1	938.7
Creditors : Amounts falling due after more than one year	21	(419.2)	(452.4)	(418.5)	(451.6)
Provisions					
Pension provisions	23	(282.7)	(104.4)	(282.7)	(104.4)
Pension asset	23	17.0	4.4	17.0	4.4
Other provisions	24	(7.8)	(3.0)	(7.8)	(3.0)
TOTAL NET ASSETS		361.7	420.6	326.1	384.1
Restricted reserves					
Income and expenditure reserve - endowment reserve	25	12.8	12.9	6.9	7.0
Unrestricted reserves					
Income and expenditure reserve - unrestricted		348.9	407.7	319.2	377.1
TOTAL RESERVES		361.7	420.6	326.1	384.1

The financial statements on pages 41 to 85 were approved by the Council on 16 November 2022, and signed on its behalf by:
The accompanying notes and policies on pages 45 to 85 form part of these financial statements.

Professor Stuart Croft, Vice-Chancellor and President

Neil Sachdev, University Treasurer

consolidated cash flow statement

for the year ended 31 July 2022

	Note	2021/22 £ million	2020/21 £ million
Cash flow from operating activities			
(Deficit) / surplus for the year before and after tax		(93.2)	79.3
Adjustment for non-cash items			
Depreciation	14	54.6	53.0
Loss / (gain) on investments	15	2.0	(4.0)
(Increase) / decrease in stock	16	(0.4)	0.0
(Increase) in debtors	17	(7.3)	(5.9)
Increase in creditors	20 & 21	1.1	19.9
Increase / (decrease) in pension provision	23	177.8	(3.2)
Increase / (decrease) in other provisions	15 & 24	4.8	(0.1)
Adjustment for investing or financing activities			
Investment income	7	(2.0)	(1.0)
Interest payable	12	6.8	7.1
Endowment income	25	(1.1)	(1.2)
Loss on the sale of non-current assets	13	0.1	0.7
Capital grant income		(18.2)	(22.2)
Net cash inflow from operating activities		125.0	122.4
Cash flows from investing activities			
Proceeds from sales of fixed assets		0.0	0.0
Capital grants receipts		16.6	27.3
Disposal of non-current asset investments		0.1	0.1
Investment income	7	2.0	1.0
Payments made to acquire fixed assets	14	(41.8)	(97.6)
New non-current asset investments	15	(4.8)	(18.8)
New current asset investments	18	(112.8)	(24.0)
		(140.7)	(112.0)
Cash flows from financing activities			
Interest paid	12	(6.8)	(7.1)
Endowment cash received	25	1.1	1.2
Repayments of amounts borrowed	22	(7.3)	(7.3)
		(13.0)	(13.2)
Decrease in cash and cash equivalents in the year		(28.7)	(2.8)
Cash and cash equivalents at beginning of the year		216.2	219.0
Cash and cash equivalents at end of the year		187.5	216.2

The accompanying notes and policies on pages 45 to 85 form part of these financial statements.

notes to the accounts

1. PRINCIPAL ACCOUNTING POLICIES

1. Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of derivative financial instruments.

2. Going concern

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

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

The Council prepare cash flow forecasts for a 5 year period. After reviewing the latest annual iteration of these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The forecast assumptions and projections are prepared considering various risks and mitigations to the University, including the items set out in the Financial Review on page 8. Sensitivity analysis is undertaken on future forecasts and used as a basis for the inclusion of planning contingencies against adverse impacts and further stress on our planning assumptions. Key potential downside risks to the forecasts include:

- Underachievement of student recruitment targets: mitigating activity includes significant investment in on-campus facilities in recent years, with a view to enhancing the student experience. Student recruitment in 2022-23 is set to again exceed expectations – and the University's position in the latest rankings has remained strong.
- Price inflation, in particular energy costs: the University actively manages its energy procurement and has its own on-site CHP facility providing power and heat across campus, as well as increasing its number of solar panels, enabling the University to manage its power needs in as cost effective a manner as possible. Rising costs would nonetheless affect the University and would be taken into account as part of managing the overall cost base, as demonstrated during the Covid pandemic.
- Further impact of Covid-19, including on commercial activity and student residence occupancy. Whilst reintroduction of UK Government restrictions or longer term changes in customer behaviour would affect those income streams in particular, the University has demonstrated its ability to manage its overall cost base through the period since March 2020.
- Whilst the Government's response to the Augar review confirmed that the home undergraduate tuition fee would be maintained at £9,250 rather than being cut in money terms, the real value of this funding stream is being increasingly reduced by inflation; the Government confirmed no increase for a further two years. This presents challenges for the sector with inflation now running at c.10% and institutions may look increasingly to international student fee income to plug the gap. This increased competition for international students carries its own risks, especially if there is over-dependency on students from certain countries. Warwick's continuing strong reputation keeps it in a good position to optimize its recruitment of international students, maintaining high entry tariffs, and measures are being taken to rebalance the student portfolio to avoid it being weighted too heavily towards any particular country.

notes to the accounts

(continued)

The University's forecasts maintain cash balances above a minimum of 50 days of expenditure (currently c.£100m). This target is in excess of the OfS guidance of a minimum cash balance of 30 days of spend (c£60m). The University's favourable financial performance for the 2021-22 year has driven a better than anticipated cash position at 31 July 2022, providing a stronger base for the year ahead than was assumed in the forecasts.

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.

3. Basis of consolidation

The consolidated financial statements include the financial statements of the University, its subsidiary undertakings, and the University of Warwick Foundation. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of Warwick Students' Union and subsidiaries of the Union, as these are separate organisations in which the University has no control or significant influence over policy decisions.

4. Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

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

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

Non exchange transactions without performance related conditions may include donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income when the University is entitled to the income.

notes to the accounts

(continued)

Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

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

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

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

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

The University operates a total return endowment investment management policy for permanent endowments. This allows for the spending of permanent endowment gains, both capital gains and dividend income, whilst preserving the real value of capital.

5. Accounting for retirement benefits

Universities Superannuation Scheme (USS)

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

notes to the accounts

(continued)

University of Warwick Pension Scheme (UWPS)

The Defined Benefit (DB) section of the University's own scheme, an exempt approved pension scheme, provides retirement benefits (based on final pensionable salary), lump sum and spouse's death-in-service benefits. The scheme is set up under trust and the assets are held in a separate trustee-administered fund. The University's net obligation for the scheme is calculated in accordance with the advice of a qualified actuary using the projected unit credit method. The rules of the scheme permit any surplus existing after all benefits have been extinguished to be returned to the University. The DB section of the scheme was closed to new recruits on 1 April 2010.

From 1 April 2010 the University introduced a new Defined Contribution (DC) section to its own scheme, for those eligible members who are not members of the DB section. The DC section of the scheme is operated as a separate defined contribution pension scheme. Employer contributions to this section of the scheme are accounted for through the Consolidated Statement of Comprehensive Income at the time that payment to the external provider is accrued as due. A small number of staff remain in other pension schemes.

6. Employment benefits

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

7. Finance leases

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

8. 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.

9. Foreign currency

Transactions denominated in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are recorded at the closing rate of exchange ruling at the year end. The resulting exchange differences are recognised in the Consolidated Statement of Comprehensive Income.

10. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University. No depreciation is charged on assets in the course of construction.

notes to the accounts

(continued)

Land and buildings

Land is not depreciated as it is considered to have an indefinite useful life. New buildings are depreciated in equal instalments over their expected useful lives of up to 50 years, car parks are depreciated over 35 years and laboratory and other major refurbishments over 10 to 20 years. Where an item of land and buildings comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred. Where buildings are acquired with the aid of government and other specific grants they are capitalised and depreciated as above or over the life of the project if deemed more appropriate. The University has no inherited assets.

The Professor Lord Bhattacharyya Building, home to the National Automotive Innovation Centre (NAIC), has been built for the furtherance of the University's objectives while working closely with our industry partners. The primary aims of the NAIC with our partners are:

- to foster innovation in the British automotive industry;
- to connect academic research with leading manufacturers and attract the next generation of engineers;
- to create a collaborative environment that can encourage teamwork and innovation across disciplines;
- to be a showcase for forward thinking in British engineering and design.

It is a space for advanced research and learning, knowledge transfer and collaboration. The activities happening within the building are core to the main objectives and strategy of the University and as such, the building has been classified as a functional fixed asset within these financial statements.

A number of the Group's buildings are rented to third parties. This supports the transfer of University 'know-how' and research into industry, as well as providing accommodation for growing knowledge-based companies and as such are treated as tangible fixed assets and depreciated in line with group policy as above. These activities further support the University by helping to enhance its reputation, and promoting the University's strategic priorities, in particular Regional Leadership and Innovation.

Equipment

In the accounts of the University, equipment, including micro-computers and software, costing less than £25,000 per individual item or group of related items are written off in the year of acquisition. Capitalised equipment, other than certain information technology equipment, is stated at cost and depreciated over typical expected useful lives of 5 to 10 years; software licences and certain items of information technology equipment are depreciated over three years. Equipment bought for a specific research or other project is usually depreciated over five years, or the life of the project if more appropriate. All assets are depreciated on a straight line basis, with a full year's depreciation in the year of acquisition.

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Borrowing costs

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

notes to the accounts

(continued)

11. Investments

Investments in subsidiaries are carried at cost less impairment in the University's accounts. Current and managed funds investments are held at fair value with movements recognised in the Consolidated Statement of Income. Current investments includes cash deposits of 3 to 12 months in maturity from when the deposit was placed.

12. Stock

Stocks of raw materials and consumables include departmental stocks in science departments, supplies for the Estates Office and goods for resale in catering, bars and retail outlets and are valued at the lower of cost plus attributable overheads and estimated selling price less costs to complete and sell. Stocks of other consumable materials are written off to expenditure as incurred.

13. 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. This includes cash deposits of up to 3 months in maturity from when the deposit was placed.

14. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

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

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

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

notes to the accounts

(continued)

15. 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 Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on expenditure is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

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

16. Basic financial instruments

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Trade and other payables are recognised initially at transaction price plus attributable transaction costs.

17. Derivatives

Derivatives (interest rate swaps) are held on the Balance Sheet at fair value with movements in fair value recorded in the Consolidated Statement of Income. The University has adopted and complied with the requirements of hedge accounting and as a result movements in fair value are recorded within Other Comprehensive Income. Any ineffective portion of the hedge is recognised immediately in income or expenditure.

The hedging gain or loss recognised in other comprehensive income is reclassified to income or expenditure when the hedged item is recognised in profit or loss or when the hedging relationship ends.

18. Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund in perpetuity or as an expendable fund where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

notes to the accounts

(continued)

19. Key accounting estimates and judgements

In the application of the accounting policies, the University is required to make estimations and judgements that may have a significant impact on the amounts recognised. The estimates and associated judgements are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Income recognition:

As set out in more detail in policy 4, certain revenue grants and donations are recognised in the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met. University management apply judgement in deferring income received for conditions not yet satisfied and accruing for income not yet received.

Pension provisions – key actuarial assumptions:

The key actuarial assumptions used in the valuation of the Universities Superannuation Scheme (USS) and the University of Warwick Pension Scheme (UWPS) are set out in note 30 Pension Schemes.

The cost to the University of the USS deficit recovery plan has been estimated based on a model devised by USS and the British Universities Finance Directors Group (BUFDG) based on the USS March 2020 deficit valuation. The USS pension deficit provision includes key assumptions on discount rates, salary inflation and future staff numbers, based on management judgement of the estimated parameters.

Details of the pension provisions are shown in notes 23 and 30.

Depreciation and amortisation:

Depreciation and amortisation charges are calculated on a straight-line basis over the estimated useful economic lives of the related assets. The remaining useful economic lives of assets are periodically reviewed based on actual experience and expected future utilisation. Where management identifies a change in the life of an asset, it is treated as a change in accounting estimate and the accelerated depreciation is accounted for in the period of change and future periods.

Recoverability of debtors:

A provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt. The formula is applied consistently each year but inevitably requires a degree of estimation. Specific provision is made for individual debts where recovery is believed to be uncertain and this requires an element of judgement.

Holiday pay accrual:

The employee holiday pay accrual represents an estimate of holidays earned but not taken as at the balance sheet date of 31 July 2022. It is calculated from extracts of annual leave records from the University's HR systems, adjusted accordingly for management judgement for items specific to the current year. The holiday pay accrual totals £16.2m at 31 July 2022 (2020/21: £16.1m) and is included within Accruals in note 20.

notes to the accounts

(continued)

2. TUITION FEES AND EDUCATIONAL CONTRACTS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Accredited course fees from home/EU students	176.0	179.5	176.0	179.5
Accredited course fees from overseas students	235.0	194.3	235.0	194.3
International foundation programme fees	3.3	3.1	3.3	3.1
Non-accredited short course fees	3.0	1.2	3.0	1.2
Research Training Support Grants	12.0	11.4	12.0	11.4
Other fees	0.3	0.2	0.3	0.2
	429.6	389.7	429.6	389.7

3. FUNDING BODY GRANTS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Recurrent grants:				
Office for Students teaching grant	14.8	13.8	14.8	13.8
Research England research grant	41.2	41.3	41.2	41.3
Specific grants:				
HE Innovation Fund	5.5	4.7	5.5	4.7
Uni Connect, formerly National Collaborative Outreach	0.5	0.4	0.5	0.4
Other specific grants	1.9	1.6	1.9	1.6
Capital grants released in year:				
Buildings	4.4	4.6	4.4	4.6
Equipment	0.4	0.4	0.4	0.4
	68.7	66.8	68.7	66.8

4. RESEARCH GRANTS AND CONTRACTS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Research councils	45.4	44.9	45.4	44.9
Central government, local authorities and public corporations	60.1	57.6	60.1	57.6
UK charitable bodies	9.0	9.0	9.0	9.0
European Union	11.0	11.1	11.0	11.1
UK industry and commerce	9.6	6.7	9.6	6.7
Overseas	4.3	8.9	4.3	8.9
Others	0.5	1.6	0.5	1.6
	139.9	139.8	139.9	139.8

Income from research grants and contracts includes £12.2m in respect of capital grants released in the year (2020/21: £14.0m).

notes to the accounts

(continued)

5. GRANT AND FEE INCOME

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
The source of grant and fee income included in notes 2 to 4 is as follows:				
Grant income from the Office for Students	15.8	14.5	15.8	14.5
Grant income from other bodies	192.8	192.1	192.8	192.1
Fee income for taught awards (exclusive of VAT)	394.0	357.1	394.0	357.1
Fee income for research awards (exclusive of VAT)	17.0	16.7	17.0	16.7
Fee income from non-qualifying courses (exclusive of VAT)	18.6	15.9	18.6	15.9
	638.2	596.3	638.2	596.3

6. OTHER INCOME

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Residences, catering and conferences	52.6	35.6	55.2	36.9
Other services rendered	4.4	2.8	4.4	2.8
Other capital grants	1.2	1.1	1.2	1.0
Retail operations	29.8	27.1	9.8	11.1
Post-experience centres	10.1	2.3	0.0	0.7
Other income	37.3	31.8	43.2	36.1
Covenant income	0.0	0.0	13.3	6.8
	135.4	100.7	127.1	95.4

Included within consolidated other income above is £0.1m (University: £0.1m) of income from the Coronavirus Job Retention Scheme (2020/21: Consolidated £4.6m, University £4.4m). Also included within consolidated other income above is £0.6m (University £0.6m) of income from the Turing Scheme (2020/21: Consolidated £nil, University £nil). The Turing Scheme is the UK Government's scheme to provide funding for international opportunities in education and training across the world. This funding provides students with the chance to develop new skills, gain vital international experience and boost their employability.

7. INVESTMENT INCOME

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Net return on University of Warwick Pension Scheme assets (note 30)	0.1	0.2	0.1	0.2
Restricted permanent endowment investment income (note 25)	0.1	0.1	0.1	0.1
Restricted expendable endowment investment income (note 25)	0.1	0.1	0.0	0.0
Other investment income	1.7	0.6	1.7	0.6
	2.0	1.0	1.9	0.9

8. DONATIONS AND ENDOWMENTS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
New endowments	1.1	1.2	1.1	1.1
Unrestricted donations	2.3	4.5	2.3	4.5
	3.4	5.7	3.4	5.6

notes to the accounts

(continued)

9. STAFF

	Consolidated		University	
	2021/22	2020/21	2021/22	2020/21
	£ million	£ million	£ million	£ million
Staff costs: Salaries and wages	307.7	293.8	293.2	284.6
Social Security costs	31.2	28.6	30.3	27.9
USS pension provision movement - staff costs	177.4	(3.6)	177.4	(3.6)
Other pension costs	53.3	49.7	52.7	49.3
	569.6	368.5	553.6	358.2

	Consolidated	
	2021/22	2020/21
	Number	Number
The number of full time equivalent staff, by area of activity, can be summarised as:		
Academic staff within academic departments	2,516	2,432
Other staff within academic departments	1,404	1,400
Academic services	569	509
Premises management and maintenance	542	557
Residences and catering	331	380
Other services and activities, including commercial operations	1,094	1,104
	6,456	6,382

Professor Stuart Croft is the Vice-Chancellor and President of the University and is its senior post-holder. The total costs of the University include payments to Professor Croft and benefits. These were as follows:

Professor Stuart Croft	2021/22	2020/21
	£000	£000
Basic salary	313	309
Salary in lieu of pension	41	40
Taxable benefit - accommodation	18	19
Total emoluments (including taxable benefits-in-kind)	372	368
Non-taxable benefits-in-kind - accommodation	0	0
Total emoluments (including taxable and non-taxable benefits-in-kind)	372	368

The total emoluments of the Vice-Chancellor and President represent those from which the Vice-Chancellor benefits directly. The Vice-Chancellor and President does not accrue defined benefits in the University Superannuation Scheme but pays a contribution to maintain life and incapacity cover using the USS Enhanced opt out rule. Under this rule, employers are required to continue paying deficit contributions in respect of those staff that are "enhanced opt out" members, in accordance with the prevailing Schedule of Contributions determined by USS. Such payments by Warwick were £17k in 2021/22 (2020/21: £6k) and are excluded from the above table in both years as the Vice-Chancellor does not benefit from those payments.

notes to the accounts

(continued)

9. STAFF - continued

The Chair of Council conducts an annual review of the performance of the Vice-Chancellor and President against objectives, which are agreed at the start of the year. In advance of the review, the Chair seeks comments on the Vice-Chancellor's performance from all members of the University's Council, including the student representatives. The outcome is discussed at the Remuneration Committee and subsequently reported to the University Council. The Vice-Chancellor is not present at the Committee nor Council during the discussions regarding his performance.

The Vice-Chancellor's objectives for 2021 – 2022 focused on the continued development and delivery of the University's long-term strategy with particular emphasis on creating a coherent approach to sustainability and advancing the campus masterplan, including the STEM project, and on delivering key enablers of performance, including a sound financial performance, successful student recruitment and satisfaction and a new people strategy. In reviewing the Vice-Chancellor's performance account is also taken of the key performance indicators agreed by Council and performance in national and international league tables.

The review period had seen continuing improvements in educational delivery and student recruitment. Reflecting strong student satisfaction results, the Sunday Times Good University Guide named Warwick the University of the Year for Teaching Quality and the runner up for University of the Year 2022. The University continued to improve on a range of social measures, such as achieving Race Equality Charter Mark status and keeping on track towards meeting the ambitious Widening Participation targets set out in our Access and Participation Plan. The refresh of the University Strategy and sub-strategies to reflect the changing external context had progressed well. This included: agreement of a new People Strategy; and adoption and implementation of a new Sustainability Strategy. These in turn had all been informed by a significant institution-wide exercise to define and disseminate Warwick's core values. All this was underpinned by a highly successful financial performance and the adoption of a strong and ambitious financial plan. Further work was needed in a number of areas, including implementing the University's Information Systems Strategy, prioritising and delivering key elements of the People Strategy and reviewing the University's Research Strategy following the University's performance in REF 2021.

The Remuneration Committee agreed with the Chair's assessment that this represented another very successful year for the University under Stuart Croft's leadership, particularly given the backdrop of continuing uncertainties caused by the pandemic. They particularly commended the Vice Chancellor's clarity of vision and his open and communicative style of leadership, which had borne fruit with staff and students. This was the continuation of a very strong performance over a number of years, which was reflected in the national and international league tables of universities. The University was ranked 8th and 10th respectively in the 2023 Guardian University league tables and the Complete University Guide 2023. The Times Higher Education's (THE) World University Rankings 2023 named the University of Warwick as 11th in the UK and 104th globally.

On the basis of this outstanding performance, the Remuneration Committee judged that, if this had been a normal year, the Vice-Chancellor would have been eligible for a significant bonus. However, he had already made it clear, in advance, that, as in previous years, he did not wish to receive a performance bonus. The Committee agreed with the Vice-Chancellor's judgement that it was not appropriate for him to take a bonus at this time given the external economic context with the continued cost of living pressures facing so many people. The Vice-Chancellor also undertakes no paid work outside the University.

The Remuneration Committee regularly reviews the Vice Chancellor's pay against remuneration in other Russell Group Universities, reflecting the top 10 league table position described above and the scale of the University's operations with total annual turnover of over £750 million. Using January 2022 data from the 2022 survey of Vice-Chancellors' Remuneration conducted by the Committee of University Chairs, the University of Warwick's Vice-Chancellor and President's base salary is currently positioned slightly above the Russell Group median and mean. Whilst broadly in line with 2020/2021, this is a slight advance on previous years, when his base salary has been positioned between the median and the mean. The change is due not to any significant increase in the Vice-Chancellor's overall remuneration, but to changes at other Russell Group Universities (including the retirement of some higher paid Vice-Chancellors and some new appointments). The University of Warwick's Vice-Chancellor has been in post since 2016. Since August 2017, his base salary has been increased in line with the percentage awarded nationally to university staff (there was no such award in August 2020) and he has accepted no performance bonuses since 2017.

notes to the accounts

(continued)

9. STAFF - continued

The relationship between the Vice-Chancellor and President's remuneration, expressed as a multiple of other employees is set out below, for both basic salary and total remuneration. Multiples are shown for three groupings: excluding "atypical" staff (primarily temporary and agency workers), including "atypical" staff, and including "atypical" staff other than the University's Unitemps staff.

	2021/22 Number	2020/21 Number
Basic salary as a multiple of median basic salary of staff - excluding atypicals	8.4	8.4
Total remuneration as a multiple of median total remuneration of staff - excluding atypicals	7.9	8.2
Basic salary as a multiple of median basic salary of staff - including atypicals	10.9	10.3
Total remuneration as a multiple of median total remuneration of staff - including atypicals	10.6	10.0
Basic salary as a multiple of median basic salary of staff - including atypicals but excluding Unitemps	8.9	8.9
Total remuneration as a multiple of median total remuneration of staff - including atypicals but excluding Unitemps	8.4	8.7

The Vice-Chancellor and President's total remuneration in the above calculation includes taxable and non-taxable benefits. As noted on page 55, the Total remuneration ratio excludes (in both years) the University's deficit contributions to the USS in respect of the Vice-Chancellor and President, as he is opted-out of the USS and does not benefit from those payments. The calculation of the ratio is affected by the University's decision to normally employ directly its staff in support and ancillary services roles, including in its commercial businesses. This means that many more lower paid staff are included in the calculation than would be the case in institutions which have outsourced these services or have less significant commercial businesses.

The ratio of the Vice-Chancellor and President's basic salary to the median academic salary is 6.2 (2020/21: 6.2).

notes to the accounts

(continued)

9. STAFF - continued

Basic salary of Higher Paid Staff.

The following number of staff (FTE) received basic salary (at the financial year end) in the following ranges:

	2021/22	2020/21
	FTE	FTE
£310,000 - £314,999	1.0	0.0
£305,000 - £309,999	0.0	1.0
£250,000 - £254,999	0.6	0.6
£235,000 - £239,999	0.5	1.0
£230,000 - £234,999	0.8	1.3
£225,000 - £229,999	0.2	0.8
£220,000 - £224,999	1.0	1.2
£210,000 - £214,999	1.0	1.0
£205,000 - £209,999	1.9	0.0
£200,000 - £204,999	1.4	1.9
£195,000 - £199,999	3.0	2.0
£190,000 - £194,999	3.1	4.1
£185,000 - £189,999	2.8	4.4
£180,000 - £184,999	3.1	1.3
£175,000 - £179,999	3.2	4.2
£170,000 - £174,999	2.4	2.2
£165,000 - £169,999	4.3	3.7
£160,000 - £164,999	5.5	6.8
£155,000 - £159,999	7.9	5.1
£150,000 - £154,999	4.5	7.4
£145,000 - £149,999	7.7	5.9
£140,000 - £144,999	7.9	6.0
£135,000 - £139,999	8.0	10.1
£130,000 - £134,999	10.4	6.4
£125,000 - £129,999	11.8	13.0
£120,000 - £124,999	22.1	19.8
£115,000 - £119,999	19.5	17.7
£110,000 - £114,999	31.7	27.2
£105,000 - £109,999	25.8	25.6
£100,000 - £104,999	18.7	27.2

Excluded from the above list are staff who joined or left part-way through a year. Salary partly funded by another body is also excluded. Salary bands are stated on a full time equivalent basis.

£1,446k in compensation for loss of office and redundancy was paid to 152 employees at all salary levels, in addition to their emolument entitlement for the year. In 2020/21, 297 employees were paid £4,160k.

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Key management personnel for the University consist of the following senior officers: Vice-Chancellor and President, Provost, Registrar, Group Finance Director, Commercial Director, Pro-Vice Chancellors, Chief Information and Digital Officer, Chief Communications Officer and Secretary to Council. Compensation paid to key management personnel during the year (including any employer's pension contributions, social security costs and including compensation for loss of office payments, any benefits-in-kind and additional salary in lieu of pension contributions for certain staff) is disclosed below:

	2021/22	2020/21
	£000	£000
Key management personnel	2,615	2,354

As noted on page 55, the Total remuneration ratio excludes (in both years) the University's deficit contributions to the USS in respect of the Vice-Chancellor and President and other members of key management personnel where they are opted-out of the USS, and so do not benefit from those payments.

notes to the accounts

(continued)

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Consolidated		University	
	2021/22 Total £ million	2020/21 Total £ million	2021/22 Total £ million	2020/21 Total £ million
Academic departments	279.7	248.1	279.7	248.1
Research grants and contracts	109.8	112.1	109.8	112.1
Total teaching and research	389.5	360.2	389.5	360.2
Academic services	54.9	48.1	54.9	46.7
Central administration and services	36.0	31.0	35.7	32.2
General educational expenditure	36.9	34.9	36.6	34.7
Staff and student facilities	28.4	23.5	28.4	23.6
Premises	71.8	65.3	72.9	65.4
Residences, catering and conferences	38.9	29.4	38.9	29.6
Other services rendered	3.2	1.8	3.2	1.8
Retail operations	19.3	23.2	13.9	17.7
Post-experience centres	8.1	5.8	3.8	5.2
Other activities	4.8	7.3	4.8	7.2
USS pension provision movement	178.3	(2.8)	178.2	(2.8)
Total per income and expenditure account	870.1	627.7	860.8	621.5

Other operating expenses include:

	2021/22 £000	2020/21 £000
Auditor's remuneration for the University of Warwick Group (An amount of £75k (2020/21: £60k) relates to the Auditor's remuneration for the University)	123	103
Auditor's remuneration in respect of non-audit services appointed by the University	67	42
Grants to Warwick Students' Union	3,251	2,989

During the year the University made payments totalling £2,000 (rounded to the nearest £1,000) including reimbursement of expenses, on behalf of nine independent members of the Council (2020/21: four members claimed a combined total of £1,000). This does not represent the total expenses individuals incurred, only what they claimed from the University. Additionally, the University provides members (not by way of expenses on an individual basis) with food and accommodation for the activities they attend on the University's campus. Members of the University's Council are the University's Trustees. The University does not remunerate independent members of the University Council. Reasonable travel and subsistence expenses incurred in attending meetings relating to the work of the Council and associated charitable events in members' official capacity are reimbursed upon request, as supported by appropriate evidence of expenditure. The salaries of members of the staff of the University who serve on the Council do not include any element specific to their trusteeship, but are determined following an agreed process.

notes to the accounts

(continued)

11. ACCESS AND PARTICIPATION EXPENDITURE

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Access investment	2.8	2.3	2.8	2.3
Financial support provided to students	7.3	7.7	7.3	7.7
Support for disabled students	0.9	0.6	0.9	0.6
Research and evaluation of access and participation activities	0.1	0.1	0.1	0.1
	11.1	10.7	11.1	10.7

£2.9m of these costs are already included in the overall staff costs figures included in note 9 (2020/21: £1.8m).

The University's published access and participation plan is available at https://apis.officeforstudents.org.uk/accessplansdownloads/2024/TheUniversityOfWarwick_APP_2020-21_V1_10007163.pdf

The University has started to consolidate and enhance efforts to ensure access and participation commitments get back on track following the two challenging years of the Covid-19 pandemic. Investment has increased overall in 2021/22 and we are seeing evidence of positive improvement in KPIs. Some on campus events were moved online, and the summer activities on campus were scheduled in August 22 (post financial year) as the University provided athlete accommodation for the Commonwealth Games during July 22. Increased investment in specific projects such as post 16 engagement, along with increased staff time on recruitment and support of eligible groups were key in 2021/22. Research and Evaluation investment is behind our initial forecast given challenges derived from the pandemic.

The second cohort of Warwick Scholars received increased support in the year (+£0.2m). All OfS funding for additional hardship support (£0.18m) was distributed, as in previous years. The one off IT bursary scheme which was created in 20/21 was not continued into 21/22, which resulted in a fall in overall financial support, however this was partially offset by increases in bursaries provided.

Disability support, including funding via the disabled students premium, is committed to the Success and Progression categories in the University's 2021/22 access and participation plan.

The University's access and participation plan is developed and governed by the Widening Participation Committee, which seeks approval from the Academic Resourcing Committee (ARC) for additional investment requirements. The methodology for including expenditure in the respective categories maps to the delivery of the University's access and participation plan commitments.

Expenditure reported in this note is either:

- captured on separate cost codes for WP programmes, WP activity in academic departments and funding schemes; or
- an allocation of the cost of individual staff members time (including overheads) based upon estimates of time spent on relevant activities with eligible groups.

notes to the accounts

(continued)

12. INTEREST AND OTHER FINANCE COSTS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Loan interest	6.8	7.1	6.8	7.1
Administration costs paid from scheme assets	0.6	0.6	0.6	0.6
Net charge on USS pension scheme	0.9	0.8	0.9	0.8
	8.3	8.5	8.3	8.5

The administration costs are in relation to the University of Warwick Pension Scheme (UWPS).

13. DISPOSAL OF NON-CURRENT ASSETS

	Consolidated		University	
	2021/22 £ million	2020/21 £ million	2021/22 £ million	2020/21 £ million
Profit on disposal of non-current investments	0.0	0.0	0.0	0.0
Loss on disposal of fixed assets	(0.1)	(0.7)	(0.1)	(0.7)
	(0.1)	(0.7)	(0.1)	(0.7)

notes to the accounts

(continued)

14. FIXED ASSETS

CONSOLIDATED

	Total £ million	Land & Buildings £ million	Fixtures, Fittings & Equipment £ million	Assets under the Course of Construction £ million
Cost				
At 1 August 2021	1,415.5	1,035.6	300.9	79.0
Additions at cost	41.8	1.6	17.0	23.2
Asset transfers	0.0	67.5	6.3	(73.8)
Write offs and disposals at cost	(5.7)	0.0	(5.7)	0.0
At 31 July 2022	1,451.6	1,104.7	318.5	28.4
Depreciation				
At 1 August 2021	553.0	309.3	243.7	0.0
Charge for the year	54.6	31.8	22.8	0.0
Eliminated on write offs and disposals	(5.7)	0.0	(5.7)	0.0
At 31 July 2022	601.9	341.1	260.8	0.0
Net Book Value at 31 July 2022	849.7	763.6	57.7	28.4
Net Book Value at 31 July 2021	862.5	726.3	57.2	79.0

UNIVERSITY

	Total £ million	Land & Buildings £ million	Fixtures, Fittings & Equipment £ million	Assets under the Course of Construction £ million
Cost				
At 1 August 2021	1,380.4	1,002.4	299.0	79.0
Additions at cost	41.7	1.6	16.9	23.2
Asset transfers	0.0	67.5	6.3	(73.8)
Write offs and disposals at cost	(5.6)	0.0	(5.6)	0.0
At 31 July 2022	1,416.5	1,071.5	316.6	28.4
Depreciation				
At 1 August 2021	530.0	288.1	241.9	0.0
Charge for the year	53.4	30.8	22.6	0.0
Eliminated on write offs and disposals	(5.6)	0.0	(5.6)	0.0
At 31 July 2022	577.8	318.9	258.9	0.0
Net book value at 31 July 2022	838.7	752.6	57.7	28.4
Net book value at 31 July 2021	850.4	714.3	57.1	79.0

notes to the accounts

(continued)

15. NON-CURRENT INVESTMENTS

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Balance at 1 August	30.4	7.7	32.1	10.1
Net additions in the year	4.6	18.7	4.6	17.9
(Decrease) / increase in market value	(2.0)	4.0	(2.0)	3.3
Decrease in provision for diminution in value	0.0	0.0	0.0	0.8
Balance at 31 July	33.0	30.4	34.7	32.1
Represented by:				
Group undertakings	0.0	0.0	6.9	6.9
Associated undertakings	1.1	1.1	0.0	0.0
Other equity investments	0.6	0.7	0.5	0.6
Cash held within managed funds	0.8	0.1	0.7	0.1
Bonds held within managed funds	0.3	0.9	0.1	0.3
Equity investments held within managed funds	28.6	28.1	24.8	24.3
Alternative investments held within managed funds	2.9	0.8	2.2	0.4
	34.3	31.7	35.2	32.6
Provision for diminution in value	(1.3)	(1.3)	(0.5)	(0.5)
	33.0	30.4	34.7	32.1

Associated undertakings include:

University of Warwick Science Park Associates

On 1 February 2012, the University acquired full ownership of the University of Warwick Science Park Limited and its associated undertakings including the University of Warwick Science Park Business Innovation Centre Limited (UWSP BIC) and University of Warwick Science Park Innovation Centre Limited (UWSP IC). From the date of acquisition, the Science Park was treated as a group investment at cost within the University's figures and is accounted for as a fully consolidated subsidiary within the group accounts (see note 28). UWSP BIC and UWSP IC are not consolidated into the results of the University nor the University of Warwick Science Park Limited on the grounds of materiality.

Other Equity Investments include:

CVCP Properties plc

50,766 ordinary shares of £1 each

The Mercia Fund 1

This is a limited partnership between the Universities of Birmingham and Warwick and the General Partner, Mercia Fund Management Limited. Warwick holds an investment of £0.2m in Mercia Fund 1.

notes to the accounts

(continued)

15. NON-CURRENT INVESTMENTS - continued

Investment in spin-out companies

The University holds a range of shareholdings in a number of spin-out companies, set up to maximise the return on intellectual property that is the result of the University's previous research activities. The University currently holds investments in 30 active spin-out companies, all of which are incorporated in Great Britain and registered in England. In total these spin-out companies employ 260 staff.

Further details of the University's investment in spin-out companies can be found at

<http://www2.warwick.ac.uk/services/ventures/spinout-companies/spin-out-companies-a-z-list/>.

The University provides for the investment in spin-out companies immediately upon acquisition and, whilst shareholdings vary in range, up to 55.0%, all spin-out investments are carried within the University's consolidated group accounts at nil value, given the uncertain nature of any valuation or return. The results of these companies are not being consolidated in the accounts on the basis of materiality. This will be reviewed on an annual basis.

16. STOCK

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Consumables and goods for resale	1.0	0.7	0.9	0.7
Other assets in the process of sale	0.1	0.0	0.1	0.0
	1.1	0.7	1.0	0.7

17. TRADE AND OTHER RECEIVABLES

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Amounts falling due within one year:				
Other trade receivables	21.0	17.7	18.3	15.5
Prepayments and accrued income	42.0	38.0	40.3	36.9
Amounts owed by group undertakings	0.0	0.0	13.5	7.3
	63.0	55.7	72.1	59.7

18. CURRENT INVESTMENTS

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Short term deposits	161.8	49.0	161.8	49.0

Short term deposits are held with banks and building societies operating in the London market and licensed by the Prudential Regulation Authority, with more than three months maturity on placement.

notes to the accounts

(continued)

19. CONSOLIDATED RECONCILIATION OF NET FUNDS	Consolidated	University
	2021/22 £ million	2021/22 £ million
Net funds at 1 August 2021	96.6	85.1
Movement in cash and cash equivalents	(28.7)	(28.8)
Movement in current investments	112.8	112.8
Movement in unsecured loans	7.3	7.3
Net funds at 31 July 2022	188.0	176.4
Change in net funds	91.4	91.3

Analysis of net funds	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Cash and cash equivalents	187.5	216.2	175.9	204.7
Current investments	161.8	49.0	161.8	49.0
Borrowings: amounts falling due within one year				
Unsecured loans	(7.3)	(7.3)	(7.3)	(7.3)
	(7.3)	(7.3)	(7.3)	(7.3)
Borrowings: amounts falling due after more than one year				
Unsecured loans	(154.0)	(161.3)	(154.0)	(161.3)
	(154.0)	(161.3)	(154.0)	(161.3)
Net funds	188.0	96.6	176.4	85.1

notes to the accounts

(continued)

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Unsecured loans (note 22)	7.3	7.3	7.3	7.3
Deferred income	134.0	131.1	131.1	128.1
Deferred capital grants	14.1	16.9	14.0	16.9
Trade payables	9.9	14.2	9.5	14.1
Social security and other taxation payable	12.4	10.4	11.3	9.8
Accruals	64.0	58.6	61.7	57.3
Amounts owed to group undertakings	0.0	0.0	31.2	24.4
	241.7	238.5	266.1	257.9

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Derivatives	25.3	47.5	25.3	47.5
Unsecured loans (note 22)	154.0	161.3	154.0	161.3
Deferred income	74.1	79.0	74.1	78.9
Deferred capital grants	165.8	164.6	165.1	163.9
	419.2	452.4	418.5	451.6

The University holds derivative instruments (interest rate swaps) on its borrowings to convert its floating rate debt to fixed rate in order to hedge against the interest-rate rising. The fair value of the derivative instruments (hedging instruments) at 31 July 2022 was £25.3m (2020/21: £47.5m). The change in fair value of the hedging instruments during the financial year of £22.2m favourable (2020/21: £12.7m favourable) is shown within the Consolidated Statement of Comprehensive Income.

22. ANALYSIS OF UNSECURED LOANS

Amounts owing on unsecured loans as at 31 July 2022 fall due as follows:

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Due within one year or on demand (note 20)	7.3	7.3	7.3	7.3
Due between one and two years (note 21)	7.3	7.3	7.3	7.3
Due between two and five years (note 21)	22.4	21.9	22.4	21.9
Due in five years or more (note 21)	124.3	132.1	124.3	132.1
	161.3	168.6	161.3	168.6

notes to the accounts

(continued)

22. ANALYSIS OF UNSECURED LOANS - continued

The University takes professional advice on the hedging of interest rates on its borrowing, with a view to reducing the risk of unexpected finance costs. The University has entered into long term interest swap agreements which result in effectively fixed rate borrowing over the life of the loans.

Bank loan arrangements for the University as at 31 July 2022:

	Total original facility £ million	Outstanding 31 July 2022 £ million	Effective Interest rate
Drawn facilities			
Amortising loan, drawn July 2007, repayable July 2037	40.0	19.7	5.37%
Bullet loan, drawn July 2008, repayable July 2037	10.0	10.0	4.82%
Bullet loan, drawn July 2009, repayable July 2037	5.0	5.0	4.92%
Bullet loan, drawn October 2010, repayable July 2037	15.0	15.0	4.92%
Bullet loan, drawn October 2010, repayable July 2037	10.0	10.0	4.84%
Amortising loan, drawn March 2012, March 2013 and December 2013, repayable December 2040	60.0	41.1	5.19%
Amortising loan, drawn August 2018, repayable July 2038	75.0	60.0	2.49%
	215.0	160.8	

The University has a negative pledge arrangement in respect of the bank loan facilities.

During the financial year the University also had the following borrowing arrangements in place:

1. A £0.4m loan from the Lawn Tennis Association, amortising over 13 years from September 2008, at a 0% rate of interest, specifically for the purpose of building an indoor tennis centre. The final repayment was made during the year and the balance outstanding as at 31 July 2022 was £Nil.
2. A £0.5m loan received from HEFCE, as part of HEFCE's partnership with Salix Finance Ltd, specifically for the purpose of funding energy efficiency and low carbon technology. The loan is at a 0% rate of interest and is repayable in March 2025.

notes to the accounts

(continued)

23. PENSION PROVISIONS AND PENSION ASSET

	Consolidated	University
	£ million	£ million
Obligation to fund deficit on USS Pension (Note 30)		
Provision at 1 August 2021	104.4	104.4
Unwinding of discount factor	0.9	0.9
Deficit contributions paid	(5.5)	(5.5)
Increase in provision in year	182.9	182.9
	178.3	178.3
Provision at 31 July 2022	282.7	282.7

	Consolidated	University
	£ million	£ million
Defined benefit obligations for University of Warwick Pension Scheme (UWPS) (Note 30)		
Asset at 1 August 2021	(4.4)	(4.4)
Net service cost contributions	(1.0)	(1.0)
Net return on assets	(0.1)	(0.1)
Administrative expenses	0.6	0.6
Actuarial gain	(12.1)	(12.1)
Asset at 31 July 2022	(17.0)	(17.0)
Total of above pension provisions carried forward at 31 July 2022	265.7	265.7

24. OTHER PROVISIONS

	Consolidated	University
	£ million	£ million
Life Sciences restructuring provision		
At 1 August 2021	3.0	3.0
Utilised in year	(0.1)	(0.1)
Additions in year	0.3	0.3
At 31 July 2022	3.2	3.2
Other provisions		
At 1 August 2021	0.0	0.0
Additions in year	4.6	4.6
At 31 July 2022	4.6	4.6
Total of above provisions carried forward at 31 July 2022	7.8	7.8

Other provisions represents a provision of £4.6m arising from an assessed risk regarding funding received prior to 31 July 2022 that may be subject to clawback in future.

notes to the accounts

(continued)

25. ENDOWMENTS

CONSOLIDATED

	Restricted Permanent Unapplied			Restricted Expendable		2022	2021
	Original Gift	total return	Total	Total	Total	Total	
	£ million	£ million	£ million	£ million	£ million	£ million	
As at 1 August	5.3	1.7	7.0	5.9	12.9	11.6	
New donations and endowments	0.3	0.0	0.3	0.8	1.1	1.2	
Change in market value of investments	0.0	(0.1)	(0.1)	0.0	(0.1)	1.0	
Investment income	0.0	0.1	0.1	0.1	0.2	0.2	
Expenditure	0.0	(0.1)	(0.1)	(1.2)	(1.3)	(1.1)	
As at 31 July	5.6	1.6	7.2	5.6	12.8	12.9	

	Restricted Permanent Unapplied			Restricted Expendable		2022	2021
	Original Gift	total return	Total	Total	Total	Total	
			£ million	£ million	£ million	£ million	
Represented by:							
Capital	5.6	0.9	6.5	5.4	11.9	12.0	
Accumulated income	0.0	0.7	0.7	0.2	0.9	0.9	
Total	5.6	1.6	7.2	5.6	12.8	12.9	

Analysis of endowment funds by type and purpose

Chairs and lectureships	2.0	1.3	3.3	3.1
Scholarships and bursaries	3.2	2.0	5.2	5.2
Prize funds	1.8	0.2	2.0	2.1
General	0.2	1.8	2.0	2.2
Research support	0.0	0.3	0.3	0.3
Total	7.2	5.6	12.8	12.9

	Consolidated		University	
	2022	2021	2022	2021
	£ million	£ million	£ million	£ million
Analysis by asset				
Current and non-current asset investments	8.2	7.5	3.3	2.7
Cash and cash equivalents	4.6	5.4	3.6	4.3
Total endowment asset investments	12.8	12.9	6.9	7.0

notes to the accounts

(continued)

25. ENDOWMENTS - continued

UNIVERSITY

	Restricted Permanent			Restricted		
	Original Gift	Unapplied total return	Total	Expendable Total	2022 Total	2021 Total
	£ million	£ million	£ million	£ million	£ million	£ million
As at 1 August	2.9	0.7	3.6	3.4	7.0	6.3
New donations and endowments	0.3	0.0	0.3	0.8	1.1	1.1
Change in market value of investments	0.0	(0.1)	(0.1)	0.0	(0.1)	0.4
Investment income	0.0	0.1	0.1	0.0	0.1	0.1
Expenditure	0.0	0.0	0.0	(1.2)	(1.2)	(0.9)
As at 31 July	3.2	0.7	3.9	3.0	6.9	7.0

	Restricted Permanent			Restricted		
	Original Gift	Unapplied total return	Total	Expendable Total	2022 Total	2021 Total
	£ million	£ million	£ million	£ million	£ million	£ million
Represented by:						
Capital	3.2	0.3	3.5	3.0	6.5	6.6
Accumulated income	0.0	0.4	0.4	0.0	0.4	0.4
Total	3.2	0.7	3.9	3.0	6.9	7.0

26. CAPITAL COMMITMENTS

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Commitments contracted at 31 July	11.4	25.5	11.3	25.5

27. LEASE OBLIGATIONS

	Consolidated		University	
	2022 £ million	2021 £ million	2022 £ million	2021 £ million
Operating lease commitments in respect of buildings and equipment on leases:				
Within one year	4.1	4.3	4.1	4.3
Between one and five years	12.3	12.9	12.3	12.9
Over five years	28.7	31.1	28.7	31.1
	45.1	48.3	45.1	48.3

notes to the accounts

(continued)

28. SUBSIDIARY COMPANIES AND ASSOCIATED BODIES

The University owns 100% of the issued share capital of the following companies which are registered in England and operating in the UK, unless dormant as stated:

	<u>No. of £1 Ordinary Shares</u>
Warwick University Training Limited	600,004
Warwick University Services Limited	125,000
Warwick University Enterprises Limited	170,000
Warwick Learning Limited	2,200
University of Warwick Science Park Limited	27,997
Research-TV Limited (Dormant)	3
Warwick Conferences Limited (Dormant)	2
The University of Warwick Press Limited (Dormant)	2
Jobs for the Academic Community Limited (Dormant)	1
World First Racing Limited (Dormant)	100
Warwick Ventures Limited	1
Warwick Innovation Network Limited (Dormant)	1
Warwick Event Solutions Limited (Dormant)	1
UWSP Connect Limited (Dormant)	1
HRI Limited (Dormant)	3
UPS Pension Trustee Limited (Dormant)	1
Horticulture Research International (Dormant)	Limited by guarantee

[University of Warwick Foundation](#)

In addition, the consolidated accounts include the accounts of the University of Warwick Foundation, an exempt Charity. The Foundation is a linked charity as defined under paragraph 28 of the Charities Act 2011 and, as such more information is disclosed in respect of the Foundation at note 29 of these accounts.

[WMG Academy for Young Engineers \(WMG Academy\)](#)

WMG Academy was formed on 6 February 2012 and is a private company, limited by guarantee and also an exempt charity where the University is one of three members. The University does not consider the entity to be an associate due to lack of substantial control and therefore is not included in the consolidated results. It operates two University Technical Colleges specialising in engineering.

[Other Associated Bodies](#)

Due to the nature of its activities, the University is a member of, or holds other minor interests in, a number of other joint ventures and companies involved in academic related activities. The individual detail of these other holdings is not disclosed, nor consolidated into the accounts of the University, purely on the grounds of materiality.

notes to the accounts

(continued)

29. CONNECTED CHARITABLE INSTITUTIONS

The University is required to disclose details of connected charitable institutions, in order to allow for appropriate review by the Office for Students, which acts as principal regulator of the University of Warwick and its connected institutions, on behalf of the Charity Commission.

University of Warwick Foundation

It is the University's view that the University of Warwick Foundation is a connected institution to the University as defined under paragraph 28 of the Charities Act 2011 and, accordingly, further details are disclosed below.

The University of Warwick Foundation is an exempt charity, by virtue of Schedule 3 of the Charities Act 2011; the purposes of the Foundation are to:

- (a) hold endowments and other donations received for the development of the University of Warwick; and
- (b) provide funding for the development of buildings at the University of Warwick.

The activities of the Foundation, a financial summary of which is shown below, are consolidated into the University's group accounts, as described in note 28.

Consolidated results	2021/22	2020/21
	£ million	£ million
Net assets		
As at 1 August	33.9	33.3
Income	0.7	0.7
Expenditure	(1.1)	(0.7)
(Loss) / gain on investments	(0.1)	0.6
As at 31 July	33.4	33.9

Endowment Funds	Restricted Permanent £ million	Restricted Expendable £ million	2021/22 Total £ million	2020/21 Total £ million
As at 1 August	3.4	2.5	5.9	5.2
Income	0.1	0.1	0.2	0.2
Expenditure	0.0	(0.1)	(0.1)	(0.1)
(Loss) / gain on investments	(0.1)	0.0	(0.1)	0.6
As at 31 July	3.4	2.5	5.9	5.9

notes to the accounts

(continued)

30. PENSION SCHEMES

Universities Superannuation Scheme (USS)

The total net cost charged to the Consolidated Statement of Comprehensive Income and Expenditure is £178.3m (2020/21: net income £2.8m) as shown in note 23. Deficit recovery contributions due within one year for the institution are £16.3m (prior year: £12.4m).

The University participates in the USS. With effect from 1 October 2016, the scheme changed from a defined benefit only scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. At 31 March 2022 USS had over 212,000 active members (2021: 203,000+) and the University had 5,158 active members participating in the scheme as at 31 July 2022 (2021: 4,907).

As at the year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

Since the University cannot identify its share of USS Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

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 adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

Actuarial valuation date	31 March 2020
Valuation method	Projected Unit
Value of scheme assets	£66.5bn
Value of technical provisions	£80.6bn
Net pension deficit	£14.1bn
Funding level from accrued benefits	83%

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the 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.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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

* FRS102 basis per USS Report and Accounts 2021 and 2020

	2022	2021
Discount rate	2.80%	2.15%
Pension increase assumption	3.00%	2.50%

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. Mortality is assumed to be in line with the Continuous Mortality Investigation's (CMI) tables: 101% of S2PMA "light" is used for males, and 95% of S3PFA for females. To allow for future improvements in mortality rates, the CMI 2019 projections with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and long term improvement rates of 1.8% pa for males and 1.6% pa for females were also adopted. The current life expectancies on retirement at age 65 are:

Males (females) currently aged 65:	23.9 (25.5) years
Males (females) currently aged 45:	25.9 (27.3) years

notes to the accounts

(continued)

30. PENSION SCHEMES - continued

The existing position (per USS Report and Accounts 2022 and 2021) is as follows:	2022	2021
Scheme assets	£88.9bn	£80.6bn
Total scheme liabilities	£92.9bn	£95.5bn
FRS 102 total scheme deficit	£4.0bn	£14.9bn
FRS 102 total funding level	96%	84%

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, whereas a surplus could, perhaps, be used to similarly reduce contribution requirements. In accordance with the requirements of the SORP, the University currently recognises a provision for its obligation to fund past deficits arising within the USS. A new deficit recovery plan was put in place as part of the 2020 actuarial valuation, which requires employers to contribute 6.2% of salaries towards repairing the deficit over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. Details of this provision, which has been discounted at a rate of 3.31% as at 31 July 2022, are included in note 23 to the financial statements. The University has provided £282.7m in the current year (2020/21: £104.4m).

Sensitivity analysis:

The University's liability calculation assumes a salary inflation rate in the long term of 4.2%, an annual increase in staff FTE in line with the University five-year plan (for all plan years) and 0.5% beyond and a discount rate of 3.31%. Changes in the assumptions for salary inflation, staff FTE and the discount rate would have the following impact on the provision as at 31 July 2022:

Change to USS liability as at 31 July 2022:	£ million
0.5% p.a. increase in salary inflation assumption	+12.0
0.5% p.a. decrease in salary inflation assumption	-11.5
0.5% increase in staff FTE assumption	+12.4
0.5% decrease in staff FTE assumption	-11.8
0.5% increase in discount rate to 3.81%	-11.5
0.5% decrease in discount rate to 2.81%	+12.2

The results of the recent valuations show the potentially significant impact on the year end provision that may arise from any future changes in deficit contribution rate and duration of payments. Based on the inputs to the calculation, the following sensitivity analysis outlines the potential impact on the liability at the year end of £282.7m (per the 2020 valuation assumptions, with the same discount rate of 3.31%) were employer deficit repair contributions and duration to increase:

	Employer deficit repair contributions		
	3.0%	6.3%	9.0%
Duration	£ million	£ million	£ million
Base	134.8	282.7	404.4
+3 years	163.9	343.8	491.8
+6 years	194.3	407.6	582.9

notes to the accounts

(continued)

30. PENSION SCHEMES - continued

University of Warwick Pension Scheme (UWPS)

As of 1 April 2010 the University introduced changes to the benefit structure for existing members of UWPS and introduced a new Defined Contribution Section (DCS) to the scheme for new hires from this date. The University closed the Defined Benefit Section (DBS) of the scheme to new hires from 1 April 2010, but continues to operate this DBS in the UK for eligible members at the point of closure and the following disclosure relates to this ongoing DBS. Under FRS 102, the current service costs arising from employee service for the current period (less contributions paid into the scheme), expected interest costs on the scheme liabilities and the expected rate of return on scheme assets are charged and credited to the Consolidated Statement of Comprehensive Income and Expenditure of the University. Other changes in the forecast scheme asset / liability recorded on the Balance Sheet, as a result of changes in assumptions, are also recorded in the Consolidated Statement of Comprehensive Income and Expenditure. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method. This valuation has been updated to 31 July 2022 by a qualified independent actuary, for calculating FRS 102 accounting entries. The main results and assumptions of the most recently available full valuation figures of the UWPS are as follows:

Latest actuarial valuation date		31 March 2019
Valuation method		Projected Unit
Value of notional assets		£221.7m
Funding level from accrued benefits		92%
Discount rates per annum	- short term	2.50%
	- long term	1.70%
Salary scale increases per annum		2.55%
Pension increases per annum (subject to limited price indexation) *		3.00%

* re pre 6 April 1997 benefits. Different increases are payable on other tranches of pension.

All assumptions have been derived with reference to the full gilt yield curve and implied inflation curve, from the Willis Towers Watson Investment Model. Detailed in the above table are the single equivalent financial assumptions. These represent the equivalent single assumptions which taken in isolation would produce the same liability figure as that derived from using the full curves for each respective financial assumption.

As at 31 July 2022 there were 331 members of staff actively contributing to the DBS of the scheme (2021: 375), with a further 1,595 staff being active members of the DCS (2021: 1,547).

Following the scheme's March 2019 actuarial valuation, the University will maintain an overall flat contribution rate of £3.29m per annum into the DBS of the scheme, inclusive of deficit recovery contributions. With effect from 1 June 2020, the University's £3.29m per annum DBS contribution is made up of 25.6% ordinary annual contributions and the balance in deficit recovery contributions.

The DCS of the scheme, comprising of the Heritage Section (University of Warwick staff) and the Enterprise Section (Unitemps personnel engaged by Warwick Employment Group), is treated and accounted for as a normal and separate part of the University of Warwick Pension Scheme. The University's contributions to the Heritage section, are either 6%, 8% or 10% of pensionable salary, dependent upon the level of employee contributions chosen by the scheme member. The contributions to the Enterprise section are based on the statutory minimum basis. Contributions to both sections are recognised through expenditure in the Consolidated Statement of Comprehensive Income as paid over to the external scheme provider. In 2020/21 contributions to the Heritage Section were partially offset by a drawdown of £1.0m from the University's defined contribution reserve, following the reserve account reaching a balance of £2.0m in April 2020. There has been no such drawdown in 2021/22.

notes to the accounts

(continued)

30. PENSION SCHEMES - continued

The major assumptions used by the actuary (in nominal terms) for the latest updates of the DBS of the scheme were:

	2022	2021	2020	2019	2018
Rate of increase in salaries	2.65%	2.55%	2.00%	2.25%	2.15%
Discount rate	3.35%	1.60%	1.45%	2.05%	2.55%
Inflation assumption (RPI)	3.35%	3.25%	2.90%	3.25%	3.15%
Inflation assumption (CPI) *	2.65%	2.55%	2.00%	2.25%	2.15%

* CPI used for revaluation of deferred pensions where appropriate.

To develop the expected long-term rate of return on assets assumption, the University considered the current level of expected returns on risk free investments (government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested (including equities, property, liability driven investments (LDI), infrastructure, commodities and reinsurance) and the expectations for future returns on each asset class. The expected return for each asset class was then weighted based on the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years	2020 Years	2019 Years	2018 Years
Male member aged 45	22.2	22.2	22.2	22.1	23.3
Female member aged 45	25.6	25.6	25.5	25.3	27.0
Male member aged 65	20.9	20.9	20.9	20.8	21.1
Female member aged 65	24.2	24.2	24.1	23.9	24.7

The assets in the Scheme were:

	2022 £ million	2021 £ million	2020 £ million	2019 £ million	2018 £ million
Value of assets					
- Equities	15.4	27.6	22.6	33.0	47.8
- Other growth assets	71.7	78.4	79.2	88.1	77.6
- Bonds and other	124.8	147.8	154.2	116.6	85.2
Total market value of assets	211.9	253.8	256.0	237.7	210.6
Value of liabilities	(194.9)	(249.4)	(247.4)	(230.9)	(218.3)
Net pension surplus / (deficit)	17.0	4.4	8.6	6.8	(7.7)

Analysis of movement in the market value of scheme assets

	2021/22 £ million	2020/21 £ million
Fair value of plan assets at beginning of the year	253.8	256.0
Expected rate of return on scheme assets *	4.1	3.7
Actuarial (losses)	(42.6)	(2.7)
Contribution paid by the employer	3.6	3.7
Contributions by scheme participants	0.1	0.1
Benefits paid	(6.5)	(6.4)
Administrative expenses paid from plan assets	(0.6)	(0.6)
Fair value of plan assets at end of the year	211.9	253.8

* Non-investment expenses incurred in the year have been offset within the expected returns of assets

notes to the accounts

(continued)

30. PENSION SCHEMES - continued

Analysis of movement in the present value of scheme liabilities	2021/22 £ million	2020/21 £ million
Benefit obligation at beginning of the year	249.4	247.4
Current service costs	2.6	2.9
Interest cost	4.0	3.5
Contributions by scheme participants	0.1	0.1
Actuarial (gain) / loss	(54.7)	1.9
Benefits paid	(6.5)	(6.4)
	194.9	249.4
	194.9	249.4
Analysis of amount recognised in Other Comprehensive Income	2021/22 £ million	2020/21 £ million
Actual (loss) / gain on scheme assets	(38.5)	1.0
Expected return on assets	(4.1)	(3.7)
Experience of gains and losses on liabilities	(6.9)	3.2
Changes in assumptions	61.6	(5.1)
	12.1	(4.6)
Net actuarial gain / (loss) recognised in Other Comprehensive Income	12.1	(4.6)
	12.1	(4.6)
Summary of movement in net asset during the year	2021/22 £ million	2020/21 £ million
Current service cost	(2.6)	(2.9)
Contributions	3.6	3.7
Net return on assets	0.1	0.2
Administrative expenses	(0.6)	(0.6)
	0.5	0.4
Net gain	0.5	0.4
Actuarial gain / (loss) recognised in Other Comprehensive Income	12.1	(4.6)
Surplus in scheme at 1 August	4.4	8.6
Surplus in scheme at 31 July	17.0	4.4

History of experience of gains and losses	2021/22 £ million	2020/21 £ million	2019/20 £ million	2018/19 £ million
Actual return less expected return on scheme assets	(42.6)	(2.7)	17.1	24.3
% of scheme assets:	(20.1%)	(1.1%)	6.7%	10.2%
Experience of gains and losses on liabilities	(6.9)	3.2	(2.4)	0.7
% of scheme liabilities:	(3.5%)	1.3%	(1.0%)	0.3%
Changes in assumptions	61.6	(5.1)	(13.6)	(9.6)
Total amount recognised in Total Comprehensive Income	12.1	(4.6)	1.1	15.4
% of scheme liabilities:	6.2%	(1.8%)	0.4%	6.7%

Sensitivity analysis: variation of assumptions would have the following potential impact on the UWPS pension asset at the year end of £17.0m. Discount rate 0.1% lower, pension asset £14.0m. Inflation rate (RPI) 0.1% higher, pension asset £15.4m. Inflation rate (CPI) 0.1% higher, pension asset £16.4m.

notes to the accounts

(continued)

30. PENSION SCHEMES - continued

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Pension cost for year

Excluding salary sacrifice contributions on behalf of employees, the University's contribution and movement on provisioning in respect of costs to the various schemes for its own staff were:

	2021/22 £ million	2020/21 £ million
Universities Superannuation Scheme (USS)	48.0	45.4
University of Warwick Pension Scheme (UWPS) Defined Benefit Section	3.3	3.2
University of Warwick Pension Scheme (UWPS) Defined Contribution Section	2.3	1.2
Other schemes	0.7	0.7
	<hr/>	<hr/>
	54.3	50.5
Increase / (decrease) in pension provision for staff costs	176.4	(4.4)
	<hr/>	<hr/>
Pension cost for year (note 9)	230.7	46.1

Due to the low value of contributions and small number of participants in defined benefit schemes other than the Universities Superannuation Scheme (USS) and the University's own scheme (UWPS), as shown above, no disclosures have been made on the grounds of materiality.

In addition to the amounts shown above are pension payments of £0.3m in relation to temporary staff (2020/21: £0.3m).

Guaranteed Minimum Pension (GMP) benefits equalisation

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. The University is working with the Trustee of the University of Warwick Pension Scheme to understand the extent to which the judgment crystallises additional liabilities for the scheme.

On 20 November 2020, the High Court ruled that pension schemes will need to revisit individual transfer payments made since 17 May 1990 to check if any additional value is due as a result of GMP equalisation. Based on the level of transfer payments, and the GMP equalisation reserve already including a small margin above the Scheme Actuary's central estimate, the University has chosen to retain the allowance adopted last year, estimated at 0.25% of the total pensions liability. The actual cost of GMP equalisation will be reflected after the benefits have been equalised.

For the University's other significant defined benefit scheme, the USS, the provision included within the financial statements at note 23 will only be impacted to the extent the change in benefits increases cash financing.

notes to the accounts

(continued)

31. RELATED PARTIES

Members of Council

Due to the nature of the University's operations and the composition of the University's Council (being drawn from local, public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Total expenses paid direct to members of the University's Council, who are also the University's Trustees, are shown in note 10.

The President of the Union of Students and another student elected by the Union of Students are members of the University's Council. During the year ended July 2022, payments were made to the Warwick Students' Union for the value of £3.3m (2020/21: £3.0m), invoices were raised from the University for the value of £0.6m (2020/21: £0.4m). There were balances of £12k and £1k (2020/21: £3k and £8k) outstanding in debtors and creditors at the year end.

Bal Claire, an independent member of the University's Council is also a Non-Executive Director of Coventry & Warwickshire Partnership NHS Trust. During the financial year, income of £531k (2020/21: £405k) and expenditure of £39k (2020/21: £37k) was recorded. There was a balance of £Nil (2020/21: £13k) outstanding in creditors at the year end.

Professor Stuart Croft who is Vice-Chancellor and President of the University is also a Board Member of The Hong Kong Polytechnic University International Advisory Board. During the financial year, sales of £0.75m (2020/21: £1.4m) were made. There was a £Nil balance (2020/21: £Nil) outstanding in debtors at the year end.

University of Warwick Pension Scheme

The University of Warwick is the principal employer for University of Warwick Pension Scheme and therefore considers the University of Warwick Pension Scheme a related party. Disclosures in relation to the valuation of the UWPS are shown in note 30.

Spin-out companies

The University made no direct investments in spin-out companies during the year that totalled more than £50k.

The University supplies facilities, goods and services to a number of its spin-out companies, within which the University holds varying levels of share interest (see note 15). All of these goods and services are provided on an arm's length basis and the total value of sales to such individual companies, in excess of £100k for the reported financial year, is summarised below:

	2021/22 £ million	2020/21 £ million
Medherant Ltd	0.1	0.1
Nanosyrinx Ltd	0.4	0.2
CryoLogyx Ltd	0.2	0.0

notes to the accounts

(continued)

32. HERITAGE ASSETS

The University of Warwick is in possession of an art collection which is on view to staff, students and visitors who have access to the various buildings where the work is exhibited.

The collection displays a variety of media including paintings, prints, textiles and ceramics and there are also a number of sculptures exhibited in external locations across campus. The combined value of heritage assets is not considered to be material and is of too uncertain value to warrant separate disclosure within the financial statements.

notes to the accounts

(continued)

33. CONSOLIDATED FIVE YEAR RESULTS

	2021/22 £ million	2020/21 £ million	2019/20 £ million	2018/19 £ million	2017/18 £ million
Income					
Tuition fees and educational contracts	429.6	389.7	360.1	344.5	316.6
Funding body grants	68.7	66.8	66.4	61.4	59.6
Research grants and contracts	139.9	139.8	131.7	137.8	126.5
Other income	135.4	100.7	115.4	136.9	123.0
Investment income	2.0	1.0	2.6	2.7	1.7
Donations and endowments	3.4	5.7	3.7	5.3	4.1
Total income	779.0	703.7	679.9	688.6	631.5
Expenditure					
Staff costs	569.6	368.5	287.4	480.0	321.1
Other operating expenses	237.6	197.7	210.9	227.4	208.4
Depreciation	54.6	53.0	48.3	47.5	38.4
Interest and other finance costs	8.3	8.5	11.1	9.7	8.4
Total expenditure	870.1	627.7	557.7	764.6	576.3
(Deficit) / surplus before other gains or losses	(91.1)	76.0	122.2	(76.0)	55.2
(Loss) / gain on disposal of non-current assets	(0.1)	(0.7)	(0.9)	0.0	(0.8)
(Loss) / gain on investments	(2.0)	4.0	(2.2)	1.2	1.6
Taxation	0.0	0.0	0.0	0.0	0.0
Actuarial gain / (loss) in respect of pension schemes	12.1	(4.6)	1.1	15.4	13.5
Change in fair value of hedging financial instruments	22.2	12.7	(7.7)	(8.8)	6.3
Total comprehensive income and expenditure for the year	(58.9)	87.4	112.5	(68.2)	75.8
Assets					
Fixed Assets	849.7	862.5	818.6	767.1	695.0
Investments	33.0	30.4	7.7	28.6	27.3
Current assets	413.4	321.6	294.5	290.7	216.8
Liabilities					
Creditors : Amounts falling due within one year	(241.7)	(238.5)	(215.8)	(201.1)	(178.7)
Creditors : Amounts falling due after more than one year	(419.2)	(452.4)	(470.1)	(470.8)	(397.7)
Other provisions	(7.8)	(3.0)	(3.1)	(3.1)	(3.2)
Net assets, excluding pension provisions	627.4	520.6	431.8	411.4	359.5
Pension provisions	(282.7)	(104.4)	(107.2)	(197.5)	(70.6)
Pension asset	17.0	4.4	8.6	6.8	0.0
Net assets	361.7	420.6	333.2	220.7	288.9
Capital expenditure					
Land and buildings	24.8	81.1	80.5	102.1	126.3
Fixtures, Fittings and Equipment	17.0	16.5	20.4	17.5	16.5
	41.8	97.6	100.9	119.6	142.8

notes to the accounts

(continued)

34. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION

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

The amounts presented within the schedules have been:

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

Figures include the impact of the movements in the USS pension provision - the deficit for the 2021/22 year (and so change in net assets) includes a charge of £178.3m (2020/21: credit of £2.8m). This is a non-cash movement, with the significant movement in 2021/22 arising from the USS scheme's 2020 valuation. The resulting deficit / surplus for the year reflected in the tables within this note is therefore not representative of the true underlying surplus and financial position of the University, and so the effect of the USS pension provision movement may need to be adjusted for if using this data to calculate ratios.

				2021/22	2020/21
				£ million	£ million
Financial statements ref			UK title		
			Primary Reserve ratio		
			Adjusted Equity		
SoFP, p43, line 18	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	Income and expenditure reserve - unrestricted	348.9	407.7
SoFP, p43, line 17	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	Income and expenditure reserve - endowment reserve	12.8	12.9
-	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and unsecured related party receivable		0.0	0.0
-	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		0.0	0.0
SoFP, p43, line 1	Statement of Financial Position - Property, plant and equipment - net (includes Construction in Progress)	Property, plant and equipment, net (incl construction in progress)	Fixed assets	849.7	862.5
2020/21 Accounts: Note 14, cols 2&3, line 11	Notes - Property, plant and equipment, net - pre-implementation	Property, plant and equipment, net - pre-implementation (less construction in progress)	Fixed assets, less Assets under the Course of Construction (at 31.7.2020)	(698.7)	(698.7)
-	Notes - Property, plant and equipment, net - post-implementation with outstanding debt for original purchase	Property, plant and equipment, net - post-implementation (less construction in progress), with outstanding debt for original purchase		0.0	0.0
Note 14, cols 2&3, line 10 less 2020/21 Accounts: Note 14, cols 2&3, line 11	Notes - Property, plant and equipment, net - post-implementation without outstanding debt for original purchase	Property, plant and equipment, net - post-implementation (less construction in progress), without outstanding debt for original purchase	Fixed assets, less Assets under the Course of Construction (post 31.7.2020)	(122.6)	(84.8)
Note 14, col 4, line 10	Notes - Property, plant and equipment, construction in progress	Construction in progress	Assets under the Course of Construction	(28.4)	(79.0)

notes to the accounts

(continued)

34. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

				2021/22	2020/21
				£ million	£ million
Financial statements ref			UK title		
-	Statement of Financial Position - Lease right of use assets, net	Lease right of use asset, net		0.0	0.0
-	Notes - Lease right of use asset pre-implementation	Lease right of use asset - pre implementation		0.0	0.0
-	Notes - Lease right of use asset post-implementation	Lease right of use asset - post implementation		0.0	0.0
-	Statement of Financial Position - goodwill	Intangible assets		0.0	0.0
Note 23, line 13	Statement of Financial Position - post employment and pension liabilities	Post-employment and pension liabilities	Pension provisions (net)	265.7	100.0
Note 20 lines 1, 3 & note 21 lines 2, 3, 4	Statement of Financial Position - notes payable and line of credit (current and long-term) and Line of Credit for Construction in progress	Long-term debt - for long-term purposes	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 year and >1 year	415.3	429.1
Note 20 lines 1, 3 & note 21 lines 2, 3, 4	Statement of Financial Position - notes payable and line of credit (current and long-term) and Line of Credit for Construction in progress	Long-term debt - for long-term purposes pre-implementation	Unsecured loans, plus Deferred Income > 1 year, Deferred Capital Grants <1 year and >1 year	415.3	429.1
-	Statement of Financial Position - notes payable and line of credit for long term purposes (both current and long term) and line of credit for CIP	Long-term debt - for long-term purposes post-implementation		0.0	0.0
-	Statement of Financial Position - notes payable and line of credit (both current and long term) and line of credit for Construction in progress	Line of credit for Construction in Progress		0.0	0.0
-	Statement of Financial Position - lease right of use of asset liability	Lease right of use asset liability		0.0	0.0
-	Statement of Financial Position - lease right of use of asset liability - pre-implementation	Pre-implementation right of use leases		0.0	0.0
-	Statement of Financial Position - lease right of use of asset liability - post implementation	Post-implementation right of use leases		0.0	0.0
-	Statement of Financial Position - Annuities	Annuities with donor restrictions		0.0	0.0
SoFP, p43, line 17	Statement of Financial Position - Term Endowments	Term Endowments with donor restrictions	Income and expenditure reserve - endowment reserve	(12.8)	(12.9)
-	Statement of Financial Position - Life Income Funds	Life Income funds with donor restrictions		0.0	0.0
-	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		0.0	0.0

notes to the accounts

(continued)

34. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

				2021/22	2020/21
				£ million	£ million
Financial statements ref			UK title		
		Total Expenses and Losses			
SOCI, p41, line 12	Statement of Activities - Total operating expenses, prior to adjustments	Total expenses without donor restrictions - taken directly from Statement of Activities	Total expenditure	870.1	627.7
SOCI, p41, lines 14 & 20	Statement of Activities - Non-operating (Investment return appropriated for spending), Investments net of annual spending gain / (loss), Other components of net periodic pension. Change in value of split interest agreements and Other gains / (losses). (Total from Statement of Activities prior to adjustments)	Non-Operating and Net investment (loss)	(Gain) / loss on disposal of non-current assets, Change in fair value of hedging financial instruments	(22.1)	(12.0)
SOCI, p41, line 15	Statement of Activities - (Investment return appropriated for spending), Investments net of annual spending gain / (loss)	Net investment losses	Loss / (gain) on investments	2.0	(4.0)
SOCI, p41, line 19	Statement of Activities - pension related changes other than periodic pension	Pension related changes other than net periodic costs - (gain) / loss	Actuarial (gain) / loss in respect of pension schemes	(12.1)	4.6

notes to the accounts

(continued)

34. FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE FOR THE U.S. DEPARTMENT OF EDUCATION - continued

				2021/22	2020/21
				£ million	£ million
Financial statements ref			UK title		
		Equity Ratio			
		Modified Net Assets			
SoFP, p43, line 18	Statement of Financial Position - Net Assets without donor restrictions	Net assets without donor restrictions	Income and expenditure reserve - unrestricted	348.9	407.7
SoFP, p43, line 17	Statement of Financial Position - Net Assets with donor restrictions	Net assets with donor restrictions	Income and expenditure reserve - endowment reserve	12.8	12.9
-	Statement of Financial Position - Goodwill	Intangible assets		0.0	0.0
-	Statement of Financial Position - Related party receivable and related party note	Secured and Unsecured related party receivables		0.0	0.0
-	Statement of Financial Position - Related party receivable and related party note	Unsecured related party receivables		0.0	0.0
		Modified Assets			
SoFP, p43, lines 3 & 8	Statement of Financial Position - Total Assets	Total assets	Non-current assets plus Current assets	1,296.1	1,214.5
-	Notes - Statement of Financial Position - lease of use asset - pre-implementation	Lease right of use asset - pre-implementation		0.0	0.0
-	Statement of Financial Position - lease of use asset liability pre-implementation	Pre-implementation right of use leases		0.0	0.0
-	Statement of Financial Position - goodwill	Intangible assets		0.0	0.0
-	Statement of Financial Position - Related party receivable and related party note	Secured and Unsecured related party receivable		0.0	0.0
-	Statement of Financial Position - Related party receivable and related party note	Unsecured related party receivables		0.0	0.0
		Net Income Ratio			
SOCI p41, line 23	Statement of Activities - change in net assets without donor restriction	Change in net assets without donor restriction	Unrestricted comprehensive income and expenditure for the year	(58.8)	86.1
SOCI p41, lines 7, 14, 15 (where>0) & 20	Statement of Activities (net assets released from restriction) total operating revenue and other additions and sale of fixed assets gains / (losses)	Total Revenues and Gains	Total income, plus Loss / (gain) on disposal of non-current assets, Gain on investments, Change in fair value of hedging financial instruments	801.1	719.7

indicators of financial health

	2021/22	2020/21	2019/20	2018/19	2017/18
(a) Net cash flow as % of total income	16.0	17.4	13.3	13.2	15.7
(b) External borrowing as % of total income	20.7	24.0	25.9	26.6	18.3
(c) Total assets ÷ total liabilities	1.4	1.5	1.4	1.3	1.4
(d) Net liquidity / (total expenditure – depreciation) (days)	156	168	175	115	112
(e) (Deficit) / surplus as % of total income	(11.7)	10.8	18.0	(11.0)	8.7
(f) Unrestricted reserves as % of total income	44.8	57.9	47.3	30.3	43.9



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