

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2023

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(A charity and a company limited by guarantee)

TRUSTEES' ANNUAL REPORT AND FINANCIAL STATEMENTS

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THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

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CHAIR'S INTRODUCTION

I am very pleased to introduce the Trustees' Annual Report and Financial Statements for 2023, my first as Chair of the OIA Board.

It has again been a challenging year for students and the higher education sector, and this has been reflected in our work during this time. Despite this context the OIA has fulfilled its role effectively and provided a valuable service. We met or exceeded our key performance indicators and resolved complaints for more students than ever before. We continued to share learning from complaints and to engage positively with students, their representative bodies and higher education providers. We played our part effectively in the wider regulatory framework, using our influence to maintain focus on students' concerns and responding to emerging and developing issues.

These achievements are made possible by the commitment and skill of colleagues across the organisation and on the Board. We are fortunate to have an excellent staff team, jointly led by Ben Elger, Chief Executive and Helen Megarry, who joined us as Independent Adjudicator in May, and an effective Board. I thank them all for their work and for their warm welcome.

Sim Scavazza
Chair of the Board of Trustees/Directors

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REPORT OF THE TRUSTEES INCLUDING THE STRATEGIC REPORT *For the year ended 31 December 2023*

The Trustees, being also Directors of the charitable company, present their annual report together with the financial statements for the year ended 31 December 2023. The report complies with the Charities Act 2011, and the Directors' report as required by section 415 of the Companies Act 2006. The financial statements comply with the requirements of the Companies Act 2006, the charitable company's Articles of Association and the Charities Statement of Recommended Practice (SORP FRS 102 effective 1 January 2019).

Objectives and activities

The OIA is the designated operator of the student complaints scheme in England and Wales established under the Higher Education Act 2004, and a charity registered in England and Wales.

Charitable purpose

The OIA's charitable purpose is to advance education for public benefit through the independent review of student complaints in England and Wales and by using learning from complaints to help improve policies and practices.

Public benefit

The Trustees confirm that they have complied with their duty in the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit. The OIA brings benefit to students, higher education providers, the higher education sector and the wider public as an independent Scheme funded by higher education providers (rather than directly by taxpayers) that can be accessed free of charge by virtually all higher education students.

Activities

The principal activity is the impartial review of student complaints and sharing learning from complaints to help improve policies and practices.

The OIA's strategic priorities to fulfil our charitable purpose and work towards our vision that students are always treated fairly are set out in our strategy (see below). Detailed planning of the activities through which we advance our strategic priorities is undertaken each year and set out in an annual Operating Plan. Progress against the annual Plan is then reported in an annual Operating Report. Both documents are published on [our website](#). A summary of key areas is provided under Achievements and performance below. Further information about our activities each year is included in our main [Annual Report](#), which we publish in the Spring.

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REPORT OF THE TRUSTEES INCLUDING THE STRATEGIC REPORT
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STRATEGIC REPORT

Our Strategy

Our vision

Our vision is that students are always treated fairly.

Our priorities

Our priorities are:

- to review student complaints independently, fairly and effectively.
- to share learning from complaints with higher education providers, student representative bodies, students and others, to help improve policies and practices and the student experience.
- to work effectively with others and influence policy and practice in the wider regulatory framework for higher education and in the ombuds sector.
- to continually develop our organisation so that we can do our work well.

Our values

Our values inform everything we do. We recruit people who share our values and are committed to our vision, and we reflect our values in our work. Our values are:

- Integrity and independence
- Quality
- Openness and accessibility
- Service ethos
- Engagement
- Equality and diversity



Operating Plan



Staff objectives

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Achievements and performance

The OIA brings benefit to students through reviewing their complaints and contributing to improving practice in the higher education sector. More widely our work brings benefit to higher education providers, the higher education sector and the public.

Our Scheme is independent and can be accessed by virtually all higher education students. As the Scheme is free to students there is no financial restriction on a student bringing a complaint to the OIA. The Scheme is designed so that legal representation is not needed. Students must normally have completed internal complaints or appeals procedures at their higher education provider before they bring their case to the OIA.

When we uphold a complaint, we usually make Recommendations for the higher education provider to put things right for the student(s) through practical remedies and/or financial compensation, and we may also make good practice Recommendations.

In 2023 we sustained strong performance against our key performance indicators. We met or exceeded our timescale targets at all stages of our case-handling process, including closing 75% of cases within six months of receipt, and exceeded our target for the proportion of complaints we settle. We closed 3,352 complaints, significantly more than ever before. The number of complaints we received rose for the seventh consecutive year, exceeding 3,000 for the first time. We continued to develop our casework processes as well as to support students in using our service. We maintained a strong focus on equality, diversity and inclusion, listening to different students' experiences and looking at what more we can learn and share from our casework as well as further refining our approach to recruitment. We introduced new IT infrastructure to achieve greater integration of our systems and further support efficient casework. Our achievements despite the continuing challenging context are testament to the hard work, commitment and skill of our staff and our ongoing focus on efficiency as part of providing a high-quality service.

We continued to share learning from complaints to promote good practice in the sector. We maintained a high level of online and in-person outreach and engagement with students and student bodies and with providers across the full range of our membership, and promoted good practice through our outreach work and through published information and guidance.

We continued to contribute expertise from our unique role, as both an independent ombuds service and part of the higher education regulatory framework. We worked with other organisations to influence policy and practice to the benefit of students and the sector and engaged extensively with policy developments including at government level.

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We continued to engage with the tertiary sector in Wales, recognising its distinct context. We worked with the Welsh government and others following the Tertiary Education and Research (Wales) Act 2022, continuing preparations for our expanded remit in Wales.

Our financial position remains sound. We managed our finances effectively, enabling us to resource our organisational priorities appropriately. The unit cost of cases has reduced by about 10% to around £1,800.

We continued to promote a positive working culture, with appropriate attention paid to health and safety and to supporting staff wellbeing, and to diversity and inclusion.

We welcomed a new Independent Adjudicator. Helen Megarry formally took up the post on 1 May following a short handover period with the previous Independent Adjudicator, Felicity Mitchell, who left the OIA at the end of April after 19 years' exceptional service.

Our [Operating Report for 2023](#) reports progress against our [Operating Plan 2023](#). It sets out what we have done during the year to advance each of our strategic priorities and includes both ongoing areas of work and new initiatives.

Financial review

Principal funding sources

The OIA is funded by compulsory subscriptions payable by higher education providers. It does not undertake any additional fundraising activities.

Results for the year and financial position

The results for the year show total income of £7,345,462 (2022: £6,621,295 and a surplus on general reserves of £146,498 (2022: £81,309)).

Income rose in 2023, with both the core and case elements of subscriptions being above budget, reflecting the continued growth in membership of the Scheme and the rise in the volume of complaints. There was also an increase in bank interest received due to higher interest rates. Expenditure also rose, largely reflecting our increased caseload but mitigated by an ongoing focus on efficiency demonstrated in the unit cost.

As explained in note 13 of the notes forming part of the financial statements, the pension reserve deficit reduced to nil in the year following a revised schedule of contributions announced in December 2023. This reduced employer contributions from 21.6% to 14.5% and no longer includes any deficit recovery contributions. As there is no longer any

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obligation to pay deficit recovery contributions the pension provision has been reduced to nil.

Investment policy and performance

Funds surplus to short-term working capital requirements are placed in short-term deposits with appropriate UK financial institutions. The rate of interest received is regularly reviewed.

Principal risks and uncertainties

The Trustees have a risk management strategy which includes:

- An established Risk & Audit Committee which oversees the organisational approach to risk and the Risk Register
- Regular review of policies and developments relating to risk, including potential new risks, culminating in a designated meeting of the Risk & Audit Committee to fully review changes to the Register and a report on key developments to the Board
- Designated responsibility for managing and monitoring key risks on the Register
- An approach based on mitigating both the likelihood of risks occurring and the impact should they occur.

Risks associated with ensuring continuing efficiency and quality in decision making and maintaining the confidence of stakeholders remain strongly identified on the Risk Register. In 2023 we proactively and successfully managed risks around the continuing increase in the number of complaints coming to us. We also continued to focus on working with other organisations with a role in the higher education regulatory landscape. Income has remained reliable despite the financial challenges in the higher education sector.

Reserves policy

The reserves policy is overseen by the Finance Committee and reviewed periodically. It is informed by Charity Commission guidance, in particular that there should be an integrated approach to reserves that takes account of key risks. Income-related risks are relatively low as our statutory basis and members' strong record of paying on time means that income is fairly predictable. Financial planning allows for proactive management of risks within planned operating expenditure. The reserves policy recognises a number of key risks that could potentially impact reserves requirements: a sudden increase in cases; a significant business interruption event; an unexpected increase in financial commitments such as pensions; and exceptional judicial review costs.

The reserves requirement (excluding the pensions reserve in line with Charity Commission guidance) remains at three months' operating expenditure, currently about £1,800,000. The current reserves excluding the pensions reserve stand at £2,449,869

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(2022: £2,303,371). The “free reserves” (ie those excluding the pension reserve, the carrying value of the fixed assets and the intangible asset) stand at £2,111,434 (2022: £1,839,228). Reserves requirements and the current reserves level have been and will continue to be factored into the budgeting process for 2024 and beyond.

Pensions

As shown in note 13 of the notes forming part of the financial statements, based on the 2020 valuation there was large deficit reflected in the pensions reserve in the year ended 31 December 2022 which has been reduced to nil following the announcement of reduced employer contributions in December 2023. Although this did not constitute a current financial risk given the nature of the USS pension scheme and the way the overall deficit is managed, we recognise that there is a significant degree of uncertainty over the medium- to long-term cost of membership of the pension scheme, both in cash terms and accounting non-cash terms. Given the uncertainty of current and future economic conditions, even following changes to the scheme over a number of years there remains a level of risk of larger fluctuations and changing contribution rates in the future. We continue to carefully monitor the situation mindful of the need to be able to meet any increased contribution costs out of operational cash flows.

Plan for future periods

Our strategic priorities as set out above remain unchanged for 2023. Our [Operating Plan for 2024](#) sets out what we plan to do this year to advance each of these priorities and what we intend to have achieved by the end of the year. It includes both ongoing areas of work and new initiatives within the strategic priorities.

The very challenging circumstances that students and the higher education sector are continuing to face will remain a key context for our work in 2024. The Plan anticipates this and the further developments that we expect across all aspects of our work, including as we continue to prepare for our expanded remit in further education in Wales. We continue to respond to the sustained year on year increases in our case receipts and prepare for possible further rises, as well as to progress our good practice and outreach work and contribute to the wider regulatory framework for higher education towards our vision that students are always treated fairly.

In 2024 we come into our next strategic planning cycle. Our strategic review will look again across all four strategic areas of our work at how we can maximise our positive impact, to the benefit of students and the sector.

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Structure, governance and management

The OIA is a charitable company limited by guarantee. It was established under a [Memorandum of Association](#) and is governed under its [Articles of Association](#).

The Board

The Board comprises up to 21 members (including Alternate Trustees), all of whom are non-executive. There are six representative bodies in higher education in England and Wales (the Association of Heads of University Administration, the Committee of University Chairs, GuildHE, National Union of Students, Universities UK and Universities Wales) that can nominate Trustees to our Board. They may also identify Alternate Trustees, who can stand in for the Nominated Trustees. The majority of voting Board members and the Chair are Independent Trustees appointed through an open recruitment process.

The Board is responsible for the strategic direction of the OIA, its funding and development and the oversight of its performance. It meets at least four times each year. It has established four standing committees, Finance, Risk & Audit, Nominations & Governance and People & Remuneration. All standing committees are formally constituted with terms of reference, and include at least four Trustees.

In 2023 we progressed work towards our planned new governance arrangements, following a review completed by the Board in 2022. Under the new arrangements, all new Trustees would be appointed through an open recruitment process within a framework that sets out the skills, experience and perspectives required to achieve a balanced, independent and effective Board.

The Board delegates aspects of some of its functions and decision-making to its committees and to the executive. It has a delegation framework which identifies areas of responsibility and the key committees and roles involved. Responsibilities are set out in more detail in documents such as committee terms of reference and senior executive job descriptions.

New Trustees are provided with a Handbook giving guidance on their role and expectations of them as Trustees, and are signposted to Charity Commission guidance for Trustees. Induction covers the role and responsibilities of Trustees, strategic considerations, complaints handling processes and other key aspects of OIA work. There are ongoing opportunities for development, for example through one-to-one conversations with the Chair/Deputy Chair, invited speakers and opportunities to attend committee meetings as an observer.

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In 2023 we said goodbye to some long-serving Trustees including the Chair, Dame Suzi Leather and the Deputy Chair, Andy Mack. We thank them for their exceptional contribution to the Board and the OIA. We were pleased to welcome Sim Scavazza as our new Chair from 1 October 2023, and to appoint Martin Kirke as Deputy Chair from 1 July 2023.

Key management remuneration

The pay of the Senior Leadership Team is set and reviewed by the People & Remuneration Committee of the Board of Directors. Review mechanisms take account of performance and market conditions. Benchmarking exercises are undertaken regularly, sometimes with external support and have previously included analysis from the higher education, ombuds and charity sectors.

Reference and administrative details

The Office of the Independent Adjudicator for Higher Education is a charitable company limited by guarantee, incorporated (England & Wales) on 7 July 2003 and registered as a charity on 11 April 2011.

COMPANY NUMBER:	04823842 (England and Wales)
CHARITY NUMBER:	1141289
REGISTERED OFFICE AND ADDRESS:	Second Floor, Abbey Wharf 57-75 Kings Road Reading RG1 3AB

TRUSTEES / DIRECTORS:

The Trustees of the charity and Directors of the charitable company, who served throughout 2023 unless otherwise stated, were as follows:

Independent Trustees/Directors

Dame S C Leather (to 30 September 2023)	(Chair)
S M T Scavazza (from 1 October 2023)	(Chair)
A L Mack (to 30 June 2023)	(Deputy Chair)
M S Kirke	(Deputy Chair from 1 July 2023)
A Adebisi	
A F Chandler	
Dr W V Finlay	
N R Flint (from 1 July 2023)	
J N Rees	
S J Williams	

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Nominated and Alternate Trustees/Directors

Nominated by the Association of Heads of University Administration

D Hall (to 30 June 2023)

Nominated Director

Vacant (from 1 July 2023)

Nominated by the Committee of University Chairs

Vacant

Nominated Director

Nominated by GuildHE

J H Renyard

Nominated Director

Nominated by the National Union of Students

O J Tarn

Nominated Director

C Field

Alternate Director

Nominated by Universities UK

Professor A D Fitt

Nominated Director

Nominated by Universities Wales

W D Callaway

Nominated Director

Dr K Mundy

Alternate Director

Trustees/Directors are appointed by the Board of Trustees. They are normally appointed for a term of three years and serve up to two terms. The Board may decide to extend a Trustee's period of service up to a maximum of nine consecutive years.

SENIOR LEADERSHIP TEAM: B P Elger - Chief Executive
F Mitchell - Independent Adjudicator
(to 30 April 2023)
H M Megarry - Independent Adjudicator
(from 1 May 2023)

COMPANY SECRETARY: S L Liddell

PROFESSIONAL ADVISERS

BANKERS:

HSBC
26 Broad Street
Reading RG1 2BU

AUDITORS:

Crowe U.K. LLP
Statutory Auditors
Aquis House, 49-51 Blagrove Street
Reading RG1 1PL

SOLICITORS:

Field Seymour Parkes
1 London Street
Reading RG1 4QW

ACCOUNTANTS:

BDO LLP
R+, 2 Blagrove Street
Reading RG1 1AZ

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Charity Governance Code

The OIA is committed to the seven principles identified in the Code and follows or is working towards recommended practice in almost all areas.

1. Organisational purpose

The OIA has a strong organisational purpose. It is clearly expressed in our strategic documents, and is kept under review as part of ongoing strategic planning to make sure that it remains relevant in the evolving higher education sector landscape. The public benefit is clearly defined as set out above.

2. Leadership

The Board works with the Senior Leadership Team to set a clear strategic direction for the organisation and to ensure that the OIA's values are reflected in our work.

3. Integrity

Integrity is one of the OIA's core values. Trustees are expected to follow the Seven Principles of Public Life drawn up by the Committee on Standards in Public Life and to preserve the independence of the OIA Scheme. The OIA's values underpin all of our work and inform how we develop what we do.

4. Decision making, risk and control

The Board maintains strong oversight of the organisation, delegated where appropriate to committees with defined terms of reference or to the executive. Key policies and procedures and organisational performance are regularly reviewed. The Board has developed a sophisticated approach to risk management as outlined above, and appropriate audit arrangements are in place.

5. Board effectiveness

Recruitment to the Board ensures an appropriate balance of skills and knowledge, taking into account the OIA's evolving membership. Trustees receive a full induction. The Board and its committees meet regularly to receive information and reports and to have full and frank discussions of important issues. The Board reviews its own effectiveness annually. The Board has undertaken a review of the OIA's governance arrangements as outlined above.

6. Equality, diversity and inclusion

The Board values diversity in all its forms. It is committed to reaching out to under-represented groups when recruiting Trustees, and to removing barriers to participation. Diversity on the Board is monitored. The Board has a strong focus on promoting equality,

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diversity and inclusion within the organisation and through the OIA's work, led by a Diversity Steering Group comprising Trustees with expertise in this area and relevant senior managers.

7. Openness and accountability

Openness and building trust to maintain the confidence of stakeholders is a key part of how the OIA operates. Information about our work is available on our website and published in an Annual Report and other publications. A Register of Directors' Interests and summary minutes of Board meetings are also published on the website.

We continue to engage with developments to the Charity Governance Code and recommended practice. The Board reviews annually the effectiveness of the OIA's governance practice in relation to the Code and other relevant developments, with external input as appropriate. The Code has also informed the review of our governance arrangements.

Trustees' responsibilities

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the charitable company's state of affairs and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charitable company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any

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relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

A resolution to formally re-appoint Crowe U.K. LLP as the OIA's auditor will be proposed at the Annual General Meeting.

The Report of the Trustees (incorporating the Strategic Report) was approved by the Board of Trustees on ...27 March 2024..... and signed on their behalf by:



.....
S Scavazza – Trustee

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REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES
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Independent Auditor's Report to the Members of The Office of the Independent Adjudicator for Higher Education

Opinion

We have audited the financial statements of The Office of the Independent Adjudicator for Higher Education for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt

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on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team. We then designed and performed audit procedures responsive to those risks,

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including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Charities Act 2011, together with the Charities SORP (FRS 102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context were Charity Commission regulations, General Data Protection Regulation (GDPR) and safeguarding regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to this risk included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and reading minutes of meetings of those charged with governance.

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 (irregularities) 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 irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

REPORT OF THE INDEPENDENT AUDITOR TO THE TRUSTEES
For the year ended 31 December 2023

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Janette Joyce

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

Aquis House
49-51 Blagrove Street
Reading
RG1 1PL

3 April 2024

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

**STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income & Expenditure Account)
For the year ended 31 December 2023**

	Notes	Unrestricted Funds General Reserves £	Pension Reserve £	Total 2023 £	Unrestricted Funds General Reserves £	Pension Reserve £	Total 2022 £
Income							
<i>Income from investments</i>	3	112,862		112,862	14,324	-	14,324
<i>Income from charitable activities</i>							
Subscriptions		7,232,600		7,232,600	6,606,971	-	6,606,971
<i>Other income</i>				-	-	-	-
Total income		7,345,462	-	7,345,462	6,621,295	-	6,621,295
Expenditure							
<i>Charitable activities</i>	4	7,198,964	(4,786,966)	2,411,998	6,539,986	29,169	6,569,155
Total resources expended		7,198,964	(4,786,966)	2,411,998	6,539,986	29,169	6,569,155
Net income/(expenditure)		146,498	4,786,966	4,933,464	81,309	(29,169)	52,140
Net movement in funds for the year		146,498	4,786,966	4,933,464	81,309	(29,169)	52,140
Total funds at 1 January 2023		2,303,371	(4,786,966)	(2,483,595)	2,222,062	(4,757,797)	(2,535,735)
Total funds at 31 December 2023	16, 17	2,449,869	-	2,449,869	2,303,371	(4,786,966)	(2,483,595)

The amounts derive from continuing activities. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 24 to 33 form part of these financial statements.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

BALANCE SHEET AT 31 DECEMBER 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	8	83,100	132,898
Intangible assets	9	255,335	331,245
		<u>338,435</u>	<u>464,143</u>
CURRENT ASSETS			
Debtors	10	213,301	253,646
Cash at bank and in hand		6,429,532	4,225,737
		<u>6,642,833</u>	<u>4,479,383</u>
LIABILITIES:			
Amounts falling due within one year	11	(4,506,965)	(2,555,125)
NET CURRENT ASSETS		<u>2,135,868</u>	<u>1,924,258</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,474,303</u>	<u>2,388,401</u>
LIABILITIES:			
Amounts falling due after one year	12	(24,434)	(85,030)
NET ASSETS EXCLUDING PENSION PROVISION		<u>2,449,869</u>	<u>2,303,371</u>
Pension provision	13	-	(4,786,966)
TOTAL NET ASSETS/(LIABILITIES)		<u><u>2,449,869</u></u>	<u><u>(2,483,595)</u></u>
FUNDS			
Unrestricted Funds			
General Reserves	16	2,449,869	2,303,371
Pension Reserve	16	-	(4,786,966)
		<u>2,449,869</u>	<u>(2,483,595)</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 27 March 2024... and are signed on their behalf by:-



S Scavazza - Trustee

The notes on pages 24 to 33 form part of these financial statements.

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Underlying cash provided by operating activities		108,211	43,108
Increase / (decrease) in subscriptions received in advance		1,982,722	(1,820,547)
Cash provided by / (used in) by operating activities	20	2,090,933	(1,777,439)
Cash flows from investing activities			
Interest income		112,862	14,324
Purchase of tangible fixed assets		-	(37,863)
Purchase of intangible fixed assets		-	(331,245)
Cash used in investing activities		112,862	(354,784)
Increase / (decrease) in cash and cash equivalents in the year		2,203,795	(2,132,223)
Cash and cash equivalents at the beginning of the year		4,225,737	6,357,960
Total cash and cash equivalents at the end of the year		6,429,532	4,225,737

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS *For the year ended 31 December 2023*

1 STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The Office of the Independent Adjudicator for Higher Education is a registered charity, number 1141289, and a charitable company limited by guarantee, number 04823842, incorporated in England and Wales. The address of its registered office is Abbey Wharf, 57-75 Kings Road, Reading, England, RG1 3AB.

The financial statements of the charitable company have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements are prepared in pound sterling (£) and the figures are rounded to the nearest £.

The charitable company meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Going Concern Basis

The company made a surplus on the general reserves of £146,498 (2022: £81,309) in the year and has net current assets of £2,135,868 (2022: £1,924,258). Cash at bank, excluding subscriptions received in advance, was £2,451,707 (2022: £2,230,634). However the pension reserve was reduced to a nil balance by a decrease of £4,786,966 (2022: increase of £29,169) resulting in net income of £4,933,464 (2022: £52,140) and net assets of £2,449,869 (2022: net liabilities of £2,483,595).

The Charity continually evaluates its operating environment including this year the impact of continuing cost of living pressures on the organisation itself, its Scheme members and wider stakeholders. An assessment of the current financial position, cash flow and future income has been made to demonstrate the ongoing viability of the organisation and its ability to carry out its work in this context. The Charity remains confident that financial resources are sufficient to ensure the ability to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objectives of the charitable company and have not been designated for other purposes.

Income

All income is included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Subscriptions

Subscription income is receivable from higher education providers in England and Wales.

Expenditure

Expenditure is accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates. Support costs include office functions including finance, human resources and general management. Governance costs include costs such as Board and committee meetings, and the costs of preparing statutory accounts and satisfying public accountability.

The calculations of support and governance costs include, where practical, an estimated split of employees' time but no allocation of general overheads such as premises costs.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) *For the year ended 31 December 2023*

Tangible fixed assets and depreciation

Depreciation is provided on all tangible assets in order to write off their cost less residual value equally over their estimated useful lives (four years for furniture, fixtures, equipment and computer equipment) at the following annual rates:-

Leasehold improvements	Straight line over the term of the lease
Furniture, fixtures and equipment	25% straight line
Computer equipment	25% straight line
Infrastructure costs	Straight line over the term of the lease

Individual assets under £1,000 are not capitalised.

Intangible fixed assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful life is as follows:

Software	25% straight line
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Financial instruments

Basic financial instruments include debtors and creditors and the pension liability. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. The pension liability is measured at fair value. Note 15 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to debtor balances excluding prepayments and deferred expenditure, and financial liabilities referring to all creditor balances excluding deferred income and other taxes and social security.

Pension schemes

The charitable company participates in the Universities Superannuation Scheme (the scheme). The scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The charitable company 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the charitable company had entered into an agreement (the recovery plan that determined how each employer within the scheme would fund the overall deficit), the charitable company recognised a liability for the contributions payable that arose from the agreement to the extent that they related to the deficit and the resulting expense in the income and expenditure account.

Operating leases - as the lessee

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2023

2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 1, Trustees are required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The calculation of the pension reserve provision has relied on the actuary's overall view of the funding of the scheme and the OIA's assumptions on future salary costs and the most appropriate discount rate to be applied. Variations in these estimates could lead to a significant change in the provision.

The allocation of IT infrastructure development project expenditure involved a significant level of estimation of the split of expenditure that met the qualification criteria for creating an intangible asset under FRS102 and the Charity SORP.

3 BANK AND OTHER INTEREST

	2023 £	2022 £
Bank interest receivable	112,862	14,324

4 TOTAL RESOURCES EXPENDED

	Total 2023 £	Total 2022 £
General Reserves		
Charitable activities		
Direct charitable activities	6,378,977	5,816,005
Support costs	704,325	606,259
Governance costs	115,662	117,722
	7,198,964	6,539,986
Pension Reserve movement	(4,786,966)	29,169
	2,411,998	6,569,155

5 EXPENDITURE

	2023 £	2022 £
Direct charitable activities include:		
Operating lease charges	221,851	222,308
Depreciation	49,798	45,861
Amortisation	75,910	-
Trustee / Director costs	53,475	45,240
Pension costs	871,857	778,074
Governance costs include:		
Auditors' remuneration (net of VAT)	16,854	14,750

6 TAXATION

The company is a registered charity. It has no liability to corporation tax on bank interest received or its charitable activities. The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2023

7 STAFF COSTS

	2023 £	2022 £
Wages and salaries	4,472,555	3,947,527
Social security costs	445,422	402,782
Pension contributions paid	871,857	778,074
	<u>5,789,834</u>	<u>5,128,383</u>
 Movement in the pension provision	 (4,786,966)	 29,169
	<u>1,002,868</u>	<u>5,157,552</u>

The average number of employees during the year was:

No.	No.
100	94

The numbers of employees whose emoluments (being all remuneration, benefits and payments made but excluding employer's pension contributions and employer's national insurance contributions) exceeded £60,000 during the year, were:

£60,000 - £70,000	10	5
£70,000 - £80,000	1	2
£80,000 - £90,000	1	-
£100,000 - £110,000	1	-
£120,000 - £130,000	-	1
£140,000 - £150,000	-	1
£150,000 - £160,000	1	-

The number of those higher paid employees who accrued benefits under a defined benefit pension scheme during the year, were:

14	9
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Pension contributions for above employees	229,213	159,655
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The Senior Leadership Team comprises two posts and are paid equally (as disclosed in the Trustees' Report, there were two Independent Adjudicators during the year, with a short handover period). The total of employee benefits (including employer's pension contributions and employer's national insurance contributions) paid to the Senior Leadership Team in the year totalled £405,952 (2022: £364,750).

A grading structure and job evaluation framework are in place to set the appropriate pay grade for each role. As last year, around three quarters of staff are female, and the proportion in senior roles is similar. The median gender pay gap at 31 December 2023 was 7.9% (2022: median pay gap 5.6%) in favour of men. This figure is likely to vary over time due to the small size of the organisation. The Board and relevant committees monitor this annually.

In accordance with the company's Articles of Association and Charity Commission guidance, meeting attendance allowances of £340 per meeting totalling £35,700 (2022: £37,740) were paid to 10 (2022: 8) Trustees during the year (S Leather 13, S Scavazza 7, S Williams 10, J Rees 7, A Adebisi 16, M Kirke 15, A Chandler 13, A Mack 11, WV Finlay 7 and N Flint 6). In addition the Chair receives an annual allowance of £7,500 (2022: £7,500). Expenses of £8,017 (2022: £3,929) were reimbursed or paid on their behalf to 13 Trustees (2022: 11) in the year.

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

8 TANGIBLE ASSETS

	Fixtures, infrastructure and computer equipment £	Leasehold improvements £	Total £
Cost			
At 1 January 2023	149,783	483,882	633,665
Additions	-	-	-
Disposals	-	-	-
	<u>149,783</u>	<u>483,882</u>	<u>633,665</u>
At 31 December 2023	<u>149,783</u>	<u>483,882</u>	<u>633,665</u>
Depreciation			
At 1 January 2023	110,677	390,090	500,767
Charge for the year	11,745	38,053	49,798
Eliminated on disposal	-	-	-
	<u>122,422</u>	<u>428,143</u>	<u>550,565</u>
At 31 December 2023	<u>122,422</u>	<u>428,143</u>	<u>550,565</u>
Net Book Value			
At 31 December 2022	<u>39,106</u>	<u>93,792</u>	<u>132,898</u>
At 31 December 2023	<u>27,361</u>	<u>55,739</u>	<u>83,100</u>

9 INTANGIBLE ASSETS

	Software £
Cost	
At 1 January 2023	331,245
Additions	-
Disposals	-
	<u>331,245</u>
At 31 December 2023	<u>331,245</u>
Amortisation	
At 1 January 2023	-
Charge for the year	75,910
Eliminated on disposal	-
	<u>75,910</u>
At 31 December 2023	<u>75,910</u>
Net Book Value	
At 31 December 2022	<u>331,245</u>
At 31 December 2023	<u>255,335</u>

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

10 DEBTORS

	2023	2022
	£	£
Trade debtors	1,140	4,062
Other debtors	212,161	249,584
	<u>213,301</u>	<u>253,646</u>

11 LIABILITIES

Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	49,984	94,979
Social security and other taxes	126,281	122,153
Other creditors	352,875	342,890
Subscriptions received in advance	3,977,825	1,995,103
	<u>4,506,965</u>	<u>2,555,125</u>

Subscriptions received in advance relate to the payment of subscriptions for the calendar year 2024.

12 LIABILITIES

Amounts falling due after one year

	2023	2022
	£	£
Other creditors	24,434	85,030

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2023

13 PENSION PROVISION

	2023	2022
	£	£
Provision b/fwd	4,786,966	4,757,797
Employer contributions relating to the recovery plan	(208,617)	(224,599)
Unwinding of the discount rate	6,043	40,630
Impact of changes in assumptions during the year	-	218,538
Impact of change in recovery plan	(4,584,392)	(5,400)
Net movement	(4,786,966)	29,169
Provision c/fwd	-	4,786,966

The obligation to fund the past deficit on the USS arose from the contractual obligation of employers within the scheme, including the OIA, to make additional contributions to reduce the overall deficit arising from past performance.

In December 2023 a revised schedule of contributions was announced which reduces employer contributions from 21.6% to 14.5% and no longer includes any deficit recovery contributions. This replaces the previous plan based on the March 2020 valuation which showed a deficit of £14.1bn and required deficit recovery contributions of 6.3% of salaries. As there is no longer an obligation to pay any deficit recovery contributions the pension provision has been reduced to nil.

14 OPERATING LEASE COMMITMENT

The following total lease payments are committed to be paid under non-cancellable operating leases:

	2023	2022
	£	£
Within one year	282,479	282,479
Within two to five years inclusive from the balance sheet date	113,903	396,382

15 FINANCIAL INSTRUMENTS

Financial instruments included in the accounts comprise:

	2023	2022
	£	£
Financial liabilities measured at fair value	-	(4,786,966)

**THE OFFICE OF THE INDEPENDENT ADJUDICATOR
FOR HIGHER EDUCATION**

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2023

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

At 31 December 2023

	Fixed Assets £	Net Current Assets / (Liabilities) £	Long term Liabilities £	Total £
Unrestricted Funds				
General Reserves	338,435	2,135,868	(24,434)	2,449,869
Pension Reserve	-	-	-	-
	<u>338,435</u>	<u>2,135,868</u>	<u>(24,434)</u>	<u>2,449,869</u>

At 31 December 2022

	Fixed Assets £	Net Current Assets / (Liabilities) £	Long term Liabilities £	Total £
Unrestricted Funds				
General Reserves	464,143	1,924,258	(85,030)	2,303,371
Pension Reserve	-	-	(4,786,966)	(4,786,966)
	<u>464,143</u>	<u>1,924,258</u>	<u>(4,871,996)</u>	<u>(2,483,595)</u>

17 UNRESTRICTED FUNDS

At 31 December 2023

	Balance 1 January 2023 £	Income £	Expenditure £	Balance 31 December 2023 £
General Reserves	2,303,371	7,345,462	(7,198,964)	2,449,869
Pension Reserve	(4,786,966)	-	4,786,966	-
	<u>(2,483,595)</u>	<u>7,345,462</u>	<u>(2,411,998)</u>	<u>2,449,869</u>

UNRESTRICTED FUNDS

At 31 December 2022

	Balance 1 January 2022 £	Income £	Expenditure £	Balance 31 December 2022 £
General Reserves	2,222,062	6,621,295	(6,539,986)	2,303,371
Pension Reserve	(4,757,797)	-	(29,169)	(4,786,966)
	<u>(2,535,735)</u>	<u>6,621,295</u>	<u>(6,569,155)</u>	<u>(2,483,595)</u>

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2023

18 RECONCILIATION IN MOVEMENT IN FUNDS

	2023 £	2022 £
Retained surplus for the year	146,498	81,309
Increase in pension reserve	4,786,966	(29,169)
Funds at 1 January 2023	(2,483,595)	(2,535,735)
	<hr/>	<hr/>
Funds at 31 December 2023	<u>2,449,869</u>	<u>(2,483,595)</u>

19 PENSIONS

The OIA participates in the Universities Superannuation Scheme (USS). In 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. The charitable company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the charitable company's employees. In 2023 the percentage was 21.6%. The charitable company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £871,857 (2022: £778,074) as shown in note 7. There was an accrual at the end of the financial year in respect of these contributions of £107,061 (2022: £107,377) included within other creditors. The disclosure below represents the position from the scheme's financial statements.

As disclosed in note 13 following the announcement in December 2023 of a revised schedule of contributions there is no longer an obligation to fund past deficits through a deficit recovery plan so the pension provision has been reduced to nil (2022: £4,786,966). Although the revised schedule of contributions came into effect from 1 January 2024 the 2023 valuation has not yet been filed so the latest available complete actuarial valuation was as at 31 March 2020.

Since the OIA cannot identify its share of the 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	31 March 2018
Valuation method		
Value of scheme assets	£66.5bn	£63.7bn
Value of technical provisions	£80.6bn	£67.3bn
Net pension deficit	£14.1bn	£3.6bn

The key assumptions can be found in the full valuation report on the USS website.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR FOR HIGHER EDUCATION

(Registered number: 04823842; Charity number: 1141289)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS (CONTINUED) For the year ended 31 December 2023

20 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH INFLOWS FROM OPERATIONS

	2023 £	2022 £
Net movement in funds	4,933,464	52,140
Add back depreciation and amortisation charges	125,708	45,861
Add back loss on disposal of fixed assets	-	-
Deduct investment income shown in investing activities	(112,862)	(14,324)
Decrease / (increase) in debtors	40,345	(21,594)
(Decrease) in creditors	(91,478)	(48,144)
(Decrease) / increase in pension provision	(4,786,966)	29,169
Underlying cash provided by operating activities	108,211	43,108
Increase / (decrease) in subscriptions in advance	1,982,722	(1,820,547)
Net cash provided by / (used) by operating activities	2,090,933	(1,777,439)

21 ANALYSIS OF MOVEMENT IN NET DEBT

	At 1 January 2023 £	Cashflow £	At 31 December 2023 £
Cash at bank and in hand	4,225,737	2,203,795	6,429,532

22 RELATED PARTY DISCLOSURES

Payments to Trustees are disclosed in note 7.

Some Trustees also hold senior positions at higher education providers. During the year in accordance with the requirements of the Higher Education Act (2004) these providers paid subscriptions to the charitable company. These fees are calculated on an arms length basis and in accordance with a defined formula.

The Board of Trustees has no involvement in the administration or adjudication of individual cases.

There were no other related party transactions during the current or preceding year.