

Harper Adams University

Annual Report and Financial Statements

2021/22



**Harper Adams
University**

CONTENTS

Chief Executive's Report	2
Strategic Review.....	10
Report of the Governors and Corporate Governance Statement	18
Independent Auditor's Report to the Board of Governors of Harper Adams University.....	24
Statement of Accounting Policies.....	27
Consolidated Statement of Comprehensive Income and Expenditure.....	31
Consolidated and University Balance Sheet.....	33
Consolidated Cash Flow Statement	34
Notes to the Financial Statements.....	35
Glossary of Terms	54

Chief Executive's Report

Introduction

This is my first report as Vice-Chancellor and Chief Executive of Harper Adams University. I was delighted to take up the position in November 2021 having moved from Monash University in Australia. Let me begin by acknowledging the significant contribution of my predecessor, Dr David Llewellyn CBE. The University community was pleased to see Dr Llewellyn's contribution to Higher Education and the Agricultural sector recognised in Her Late Majesty The Queen's New Year's Honours for 2022. Let me also acknowledge and put on record the Board's and the University community's thanks to Professor Michael Lee for serving as Interim Vice-Chancellor and Chief Executive from 1 August 2022 to 31st October 2022.

Harper Adams University is the UK's leading specialist institution for agriculture, agricultural engineering, food science and technology, environmental science, veterinary science, animal behaviour & welfare, agri-food business and land-based management and education. Science and technology sit at the heart of all aspects of the University's provision. Our education is focused on ensuring that our graduates are equipped to meet the needs of industry and have a strong understanding of work at the start of their careers. Harper Adams graduates are highly valued by industry and that is why it is so pleasing to see how many achieve leadership roles in the organisations with which we partner. I have been impressed and inspired by the level of support and advocacy for the University in the organisations where our graduates are employed, and the professional and charitable bodies with which we engage. This is reflected in the number of these organisations that provide placements for our students, and an increasing number which provide scholarship support.

The University is a vital source of insight and intelligence for industry and for policy makers. Our research is increasingly recognised nationally and internationally for its quality and impact. The value of our research is reflected in the number of projects that are delivered or co-funded by industry, university or government partners. Many organisations look to Harper Adams University for advice as the sectors we are most relevant to face significant policy transitions as a result of leaving the EU, or arising from the emerging priorities of the government.

During the year I have led the University in a review of our institutional strategy as we emerge into a post pandemic environment and one where the effects of the UK's departure from the EU becomes clearer. The outbreak of war following the Russian invasion of Ukraine has not only led to financial turbulence and uncertainty, it has created real implications for food security, international trade, and government policy. The effects of this were only emerging during the year of this report but will, I am sure, be a feature of my reports for a number of years to come. Given the turbulence and extent of change, it is right that our strategic plan is revisited.

During this financial year, the University's existing strategic plan 2020-2025 guided our activities. I therefore use it as the backdrop of my report for this year.

The University's Strategic Plan was drafted in 2019. It has five objectives:

1. Education: To grow the population of the University to 3,500 FTE students by 2025, including those who study part-time from within our related professions, to enhance our connections with industry and, with those from overseas, our global reach.
2. Research: To move from a position where over 50% of our research in the 2014 Research Excellence Framework was assessed as internationally excellent or world leading to a rating of over 60% for these categories in the Research Excellence Framework 2021 and the following Research Excellence Framework exercise.
3. Knowledge Exchange: To establish a position in the top 10 UK agri-food institutions in the forthcoming Knowledge Exchange Framework, so as to underpin our engagement with industry, and our capacity for informative and useful education and research.
4. Influence: To continue to enhance the role and reputation of Harper Adams as a contributor to national policy formulation and delivery on enhancing rural economic development and the UK's contribution to global food security. Our impact will be measured by the successful delivery of our new joint veterinary school and at least two other distinctive collaborative ventures aimed at addressing the strategic aims we have identified over this planning period.
5. The University Community: To maintain a strong community-based approach to our academic work, with a consistent top-ten UK university sector performance in the National Student Survey, top-quartile performance in relevant postgraduate student surveys and an overall staff satisfaction rating of over 90% when measured by independent surveys.

The Strategic Plan acts as a framework to guide our academic activities and to focus on areas where further innovations can be pursued and efficiencies can be delivered. The Board of Governors receives regular reports on progress against the University's strategic priorities, as well as reports to enable it to consider current and emerging risks and the University's response to them. The Board was satisfied that by the end of the financial year almost all planned activities had been delivered or were near completion, and the intended outcomes for the year had been broadly met. In reaching this assessment the Board was cognisant of the turbulent external environment in which the University was operating.

We continued to operate with a focus on financial prudence but we have needed to invest in a number of campus services and spaces as we have moved into post-pandemic operations. We have invested almost £500,000 in our Veterinary Nursing facilities supported in part by strategic capital funding from the Office for Students. We have also been able to invest in equipment for animal handling and a number of large animal anatomy models. We were pleased to be able to secure a private placement finance facility at highly competitive rates which, combined with the cash we generate, will enable us to begin to further deliver on our capital and sustainability ambitions for the future.

Responding to the External Policy Environment

This has been another significant year of transition. Whilst the pandemic continued to affect the majority of our activities for the first half of the year, we made a concerted start to incorporating face to face and in person community events from early 2022. That said, the year cannot be described as business as usual. Students were not able to engage in the full range of in person activities, academic or community focused, until well into their year of study. Academic colleagues had to be prepared for all scenarios with classes available in face to face, hybrid and online formats. Our professional services also had to demonstrate flexibility and adaptability in planning for and then delivering services in a multitude of different formats. I would like to put on record my thanks to the entire University community for its resilience and its understanding as we navigated through and out of the formal period of pandemic measures. In particular, I would like to thank our students.

The higher education sector has continued to go through a significant period of policy changes and developments. The University responded to consultations on policies which most closely affect its activities including the National Student Survey, World Leading Specialist Teaching, the Future of Research Assessment, Student Outcomes and Teaching Excellence, Quality and Standards and Data Futures. We are grateful for our membership of and the support from Guild HE in advocating for smaller and specialist institutions in these and other policy areas.

Student Experience and Success

The University welcomed 710 new full-time undergraduate students (including 60 for the Harper Keele Vet School) which reflected an increase of 100 students on 2020-21). Postgraduate and apprenticeship enrolments were also buoyant with 116 new students.

The quality of our provision and activities continues to be recognised in league tables and through other awards. We continued our run as the UK's top-rated modern university in the Times and Sunday Times Good University Guide for a sixth consecutive year. The criteria for this ranking will be changing for future years. Our courses in Agriculture, Forestry and Food were given a top 10 placing in the Guardian University Guide Subject League Tables. The same

ranking gave these courses a top 5 rating for students finding graduate-level jobs or further study at graduate or HE level after 15 months. The QS World Ranking placed the University 1st in the world for Forestry and Agriculture. The University also won the What Uni Award 2022 for Career Prospects. Finally, the Complete University Guide ranked the University 29th in the country, and the highest ranked modern university.

We saw further evidence of the impact of our apprentices on their employers, and the benefits that completing an apprenticeship is bringing to developing skills in vital industries. Agata Marciniowska, studying on the Food Industry Technical Professional Degree, demonstrated the value through her first-year project. Not only did this give Agata her first experience of leading a project, it provided her employer, AB World Foods, with ways of reducing packaging and addressing inconsistency in the weights of the product being reviewed. We were pleased to see the approval of the Veterinary Technician apprentice standard which means we can now recruit our first cohort in 2022.

This has been another impressive year for students and alumni being nominated for and winning external awards and prizes. These include:

Students:

- William Awan, Silver Award for Agricultural Student of the Year, British Farming Awards
- Harry Davies, Pinnacle Gold Award and the Nickerson Cup
- Tanya Peter, Finalist, Rabbit Student of the Year, Burgess Excel Vets Awards
- Thomas Saunders, NFU Student Farmer Ambassador
- Georgia Gray, Finalist, Northern Ireland Student Veterinary Nurse of the Year Award
- Ben Chilman, Winner, Farmers Club Pinnacle Award
- Will Pugh, Runner-Up, Farmers Club Pinnacle Award
- Max Mitchell, Royal Association of British Dairy Farmers Dairy Student of the Year
- Marley Lamerton, Farm Health Management Award, Royal Association of British Dairy Farmers
- Sion Thomas, Harper Cymry/Royal Welsh Agricultural Society Student of the Year

Alumni:

- Victoria Smith, Entrepreneur of the Year at the National Federation of Young Farmer's Clubs
- Emily Brown, Student Union President, NFU Young Farmer Ambassador
- Dan Hawes, NFU Young Farmer Ambassador
- Cari Thomas, Holstein UK President's Medal
- Emily Mosley, AgriScot Business Skills winner
- Oliver Mackay, Tilhill 'Top Student' Award
- Will Green, Share Farmer of the Year, Canterbury/Otago Dairy Industry Awards
- Femi Adekoya, Royal African Award, Royal African Young Leadership Forum

We were delighted to be able to deliver many of our key recruitment and outreach events in person this year. The campus was teeming with life on each of our Open Days as we welcomed prospective students and their supporters to explore what the University can offer. We introduced a new type of experience for applicants holding offers to demonstrate what it is like to be a student here and to help them to make the best decision for their future. A refreshed Harper Adams Experience was also held bringing 16- and 17-year olds to the University to have a full weekend campus experience. We delivered an extensive programme of school outreach as part of our Access and Participation Plan, further demonstrating the University's commitment to ensuring that those who have the potential to succeed in higher education are encouraged and inspired to do so.

Research, Impact and Knowledge Transfer

Despite the ongoing effects of the pandemic, it was a significant year across our research, impact and knowledge transfer activities.

We were pleased to see the overall progress in research reputation as demonstrated in the 2021 Research Excellence Framework. The results demonstrated that the target set in our current strategic plan, for 60% of our research to be internationally excellent, had been met. We noted that this was achieved with a higher proportion of employees being entered into the exercise. The results were reassuring but provided some room for further improvement and growth, particularly in the highest 4* impact category. This will be addressed through the University's new research plan.

The University continued to be successful in securing external funding including £2.1m in funding for new research and knowledge transfer activities. A major new project, Pasture to Plate, was jointly awarded by UKRI/BBSRC to the University and the University of Bath. The project is led at Harper Adams by Dr Richard Green in the National Centre for Precision Farming. It will develop an innovative and ambitious system for converting grass into food.

DEFRA awarded £250,000 in funding to the University and two commercial partners, Elentec Ltd and Merigan Ltd, to test whether phosphorus can be removed and recovered from cattle slurry using novel technology. Given the likelihood that restrictions will be placed on the amount of phosphorus applied to the land via slurry, this feasibility project has the potential to be game-changing for on-farm slurry management. The project is led by Dr Marie Kirby.

The AHDB published a report on the impact of the trade deals between the UK and Australia, and the UK and New Zealand, incorporating economic modelling developed by Harper Adams Senior Lecturer, Dr Daniel May. The AHDB's Head of Strategic Insight, David Swales, said "we are grateful for the expertise that was brought to this report – the economic modelling adds significant value."

Our academics received a number of awards and positions across the year. These include:

- Professor Michael Lee, President of British Association of Animal Science (BSAS)
- Professor Mark Rutter, President of International Society for Applied Ethology
- Professor Jude Capper, BSAS Sir John Hammond Memorial Prize
- Professor Jonathan Stratham (HKVS), Chair of the Animal Health and Welfare Board for England
- Dr Philip Robinson, 40th President of the Society for Veterinary Epidemiology and Preventative Medicine
- Dr Joe Roberts, Inaugural Early Career Trustee, Royal Entomological Society
- Professor Richard Godwin, Outstanding Research Supervisor of the Year, Time Higher Awards
- Andrew Black, Fellow, Royal Institution of Chartered Surveyors

Collaboration and Partnership

We launched the new School for Sustainable Food and Farming in October 2021 in collaboration with Morrisons, McDonald's UK and Ireland, and the National Farmers Union. The School has been established to ensure that the food and farming industry has increasing access to the skills required to deliver net food and farming by 2040. The School works to ensure that organisations are able to access new talent and for the existing workforce to be upskilled. The School is building a network of collaborators and exemplar farms to research and implement practical solutions to achieving net zero. The University supports the School in influencing policy makers so that everyone is best able to develop and implement solutions in an economically and operationally viable way.

I was delighted with the progress of the Scholarship Programme and the various fundraising and engagement activities undertaken by the Development Trust. Despite the challenges of the pandemic and the financial markets, support from industry partners, charitable trusts and individuals has continued to diversify and grow. I am particularly pleased to note the continuing support for scholarship opportunities offered by the Harper Adams Club and individual Alumni, one example being the new John Wright Scholarship.

Our Online Scholarship Fair 2021/22 was a success and joined by a record 33 companies, up by 27% from 26 in 2020/21. 43 scholarship with placement roles were offered, which was up by 19% from 36 in 2020/21, and application levels were maintained. While some sponsors were unable to continue with their support, due to a range of financial and other factors affecting their businesses or charitable

investments, others secured placement scholars. By 31 July 2022 the total awards made for the year was £507,748. A further donation of £22,568 was received during the year to add to the Silcock Fellowship for Livestock Research fund, which will be used to match fund future PhD studentships.

Demonstrating Public Benefit

As a registered charity, Harper Adams University has a long tradition of conducting activities that benefit the public. Our work to deliver these benefits has continued over the last year. We have followed the higher education sector framework to report on our contribution to public benefits. The following themes provide some examples of these activities within the established framework.

Developing people to contribute to society

We were delighted with the news that Harper Adams Alumnus, Jonathan Russell CB, was appointed as the new Chief Executive at the Valuation Office Agency, an executive agency of Her Late Majesty's Revenue and Customs. When congratulated about his appointment, Jonathan said: "I'm very proud to be a former student at Harper Adams. It was a great place to study and provided a strong foundation for my career."

A group of Harper Adams students undertook a 250-mile cycle ride from the University to Melrose in Scotland in memory of four students who sadly died during their time at the University. Funds raised by the cycle ride were donated to charities that were established by or being supported by the families of students who died. These included the Farming Community Network, Edale Mountain Rescue and The George Crawford Legacy Trust.

We continued to see how the research from our students can have an immediate real-world impact. Finalist student, Natalie Stanley, identified that the health and welfare of cows and their productivity can be improved by the use of physiotherapy. Natalie gathered evidence as part of her Honours Research Project and was invited to share her findings with researchers from the University of Bristol. Natalie identified her love for working with cattle at the University and through working on our farm, a passion she has taken with her into her career.

Our community came together to mark and celebrate the Platinum Jubilee of our Late Queen Her Majesty Queen Elizabeth II. Mark Hall (Head Groundsman) and Scott Kirby (Future Farm Manager) curated a scheme to plant 70 nut and fruit trees to contribute to the Late Queen's Green Canopy. The trees were planted by University students and employees and in partnership with Edgmond Wildlife Group. Engineering student, Sam Scales led a team of students in designing a custom-made beacon which was lit at Newport Showground. Lord Lieutenant of Shropshire, Anna Turner, was present for the lighting of the beacon and spoke of its significance to members of the community who were gathered. The University also donated and planted trees in Edgmond and in Newport.

Innovating, informing and inspiring

Harper Adams featured prominently during COP26 which was held in Glasgow. We were an active member of the COP26 Universities Network and we contributed to a key report: 'Mainstreaming Climate Change Education in UK Higher Education.' The report calls on universities to take bold and rapid action to tackle climate change. Sustainability education and building carbon literacy are integral aspects of our new Harper Forward Curriculum. Professor Michael Lee led on the University's contribution to the COP26 Innovation Showcase Website which focused on Net Zero Farming. Dr Simon Segar participated in an international event as part of the COP 26 build up where he joined colleagues from The Czech Academy of Sciences, and the Smithsonian Tropical Research Institute in Panama to explore the impact of climate change on insects.

The University was featured on the BBC's Countryfile throughout this year. The BBC crew visited the University's Hands-Free Farm (HFF) to see the work that was being done complete the first full harvest on the farm. The programme followed three of the team's members: Senior Engagement Fellow Kit Franklin, Jonathan Gill from UPL, and Martin Abell from Precision Decisions. The presenter, Steve Brown, heard about the progress made since the HFF team planted, grew and harvested their first crop in 2016. The Countryfile segment showed how much progress had been made over the previous 5 years, but also the challenges still ahead to see such innovations operating on mass. In other Countryfile episodes, our ABP Chair in Sustainable Beef and Sheep Production, Professor Jude Capper, discussed the science behind sustainable meat production.

Later in the year a group of pupils from Westminster Academy in West London spent three days at the University to experience agricultural, food and land opportunities first hand. Working in partnership with The Careers Office. Their time on campus and on the farm was filmed for BBC Countryfile. Dr Paul Wood, Principal of Westminster Academy, said: "This was a genuinely eye-opening opportunity for our students, who returned with new perspectives on the countryside and on careers in an industry they likely would never have considered otherwise." The programme was one of many the University runs to introduce new audiences and communities to the work that we do.

We were delighted to take our outreach and innovation roadshow to the agricultural and sector shows held across the country. For most this was the first time they had been held since the pandemic. One of the standouts was the LAMMA Show at the NEC which was celebrating its 40th anniversary. The Harper Adams stand was an opportunity to talk about and demonstrate its latest engineering and technology innovations. It also provided an opportunity for University staff and students to see latest developments from other organisations. For Shows and Events Officer, Sarah Swinnerton, this year provided a long overdue opportunity to meet with prospective students, industry partners and alumni face to face.

Engaging communities and working in partnership

The University was pleased to become part of the new Agricultural Universities Council. Formed by sixteen universities which undertake agricultural research, the AUC is working to agree joint agricultural research priorities, drawing on relationships with farmers, food businesses, environmental groups and others that have a stake in the industry's future. The AUC's first task has been to map existing research capacity across the UK and to explore how the UK's extensive research capabilities can be better mobilised and deployed.

We partnered with the Farm Retail Association to deliver an extensive project to discover the true value of Britain's farm shops to the nation. FRA Chairman Rob Copley said: "This is the biggest research project that the FRA has undertaken." The research showed that Britain's farm shops generate over £1.4 billion in sales nationally, employing over 25,000 workers. The project was led by the University's Food, Land and Agri-Business Management department. Senior Lecturer, Alastair Boot noted that the study: "establishes the growth of the sector and its value to local economies."

We continued our leading work on soil by hosting the Soil and Water Management Centre conference. This brought experts, industry partners and farmers together to share thoughts, insights and their latest works. University academics including Dr Andy Wilcox and Professor Dick Godwin made leading contributions. Other contributions came from Bayer CropScience, John Deere, Autospray Systems, John Deere, and a number of farm-led contributions.

Building international connections

Like everyone, we have been deeply concerned about the Russian invasion of Ukraine and the death and disruption that we have witnessed since. We have been concerned for the citizens of Ukraine as well as the impact of the war on food production supply chains. Through the UUK UK Ukraine Twinning Programme, we have established a partnership with Odessa National University of Technology. We are exploring how we can connect our Ukrainian partners into conferences and events that we are organising. We have also raised funds to support staff and student exchanges. I am particularly grateful to the Harper Adams Development Trust, the Harper Adams Club and to Rabobank for the support they have offered to this collaboration.

We were delighted to welcome students from Ghana, Kenya and Malawi to begin a 10-week course in sustainable agriculture that is funded the Marshal Papworth Fund. The Fund is managed by the East of England Agricultural Society. The students were selected from those that had completed an online programme delivered by the University whilst they were still in their home countries. Tom Arthey, who chairs the Fund said: "we know that every student that graduates from our sustainable agriculture course goes home and shares their new skills with hundreds if not thousands of

members of their community." I was delighted to spend time with the students, hearing directly what they had learned, and accepted their challenge to find ways for more students to be supported, and for more to be able to continue their studies beyond this course.

We were pleased to access funding from the new Turing Programme to promote international collaboration and exchange. PhD student, Antonija Simic was able to use this funding for a research placement at the University of Hohenheim in Germany. We will be exploring ways to expand the opportunities we are able to deliver through this scheme.

A group of Harper Adams academics visited their counterparts in Israel to consider how data can be used in agricultural processes. Our academic met with more than 25 Israeli scientists and innovators at the Agricultural Research Organization Volcani Centre near Tel Aviv. A return visit to the Harper Adams campus is planned for later this year. The trip was supported by a Wohl Clean Growth Alliance grant from the British Council.

Building on our Past, Delivering for our Future

This was another important year. One where many of our face to face activities returned to campus, including Open Days and Graduations, as we started to move beyond pandemic restrictions.

It was also the year that the University and the wider agricultural community lost some key leaders: Dr Tony Harris CBE, Former Principal of Harper Adams, Professor Emeritus Simon Leather, The Lord Plumb DL, Peel Holroyd, and Dr Caroline Drummond MBE. All of these people made different but immense contributions to the University and the sectors with which we partner. We are grateful for their contributions, and their service.

The University is operating in a challenging external environment both in the UK and internationally. Yet our Mission is such that we must embrace the future with confidence and resilience. Our focus on planetary and environmental health, animal health, and their connection to human health and prosperity, means that there has never been a more important time for us to step up.

Professor Lydia Arnold and colleagues have led work with across the University to develop and implement our new Harper Forward curriculum. This year we worked with trailblazers from Food, Business and Engineering with new courses to be offered from 2023. Our other departments will start their Harper Forward developments over the year ahead. It is an exciting time for us to ensure that our graduates have the skills they need for the future. All our new courses provide practical opportunities, a focus on digital skills, guidance for personal growth and development, insights into global perspectives, and the development of research and information skills. Course content has also designed with consideration of the UN's Sustainable Development Goals, reflecting our shared

commitment to the global challenges of sustainability, climate change and Net Zero.

We have established a Future Farm by pulling together all of our different farming operations into one integrated team. Under the leadership of our Future Farm Director, Richard Hooper, and Future Farm Manager, Scott Kirby, we are well placed to provide leadership to the farming industry on productivity, sustainability and animal wellbeing. Our Environment and Sustainability Groups have mobilised our academic and industry expertise to ensure that we are able to trial and evidence impact which can be shared with our partners. We are also investing in how we can fully garner and utilise data to inform our decision making and evidence our progress.

We have made significant progress in the work we have done on the University's Respect Agenda and this will continue to be a priority for the future. I am grateful to Dr Simone Clarke, Mrs Kate Baker and colleagues in the Students' Union, as well as to the Board and the wider University community, for working to ensure that we provide an environment where everyone is welcome and is respected, regardless of who they are. As a University, we know there are issues of respect and belonging which have needed to be highlighted, discussed and action taken, and we have done that. We will continue to do so.

I have been heartened by the many and varied suggestions that have been submitted as part of the consultation process to inform our new University Strategy. The financial landscape is challenging, but we are working to further diversify our revenue and contribution streams without losing what makes this University unique and special. What is clear is that students, employees, governors, alumni and partners care deeply about this institution. Proud of its history, emboldened by its achievements, but excited for its future. I am proud to be the new Vice-Chancellor and I look forward to reporting on our progress in future years.



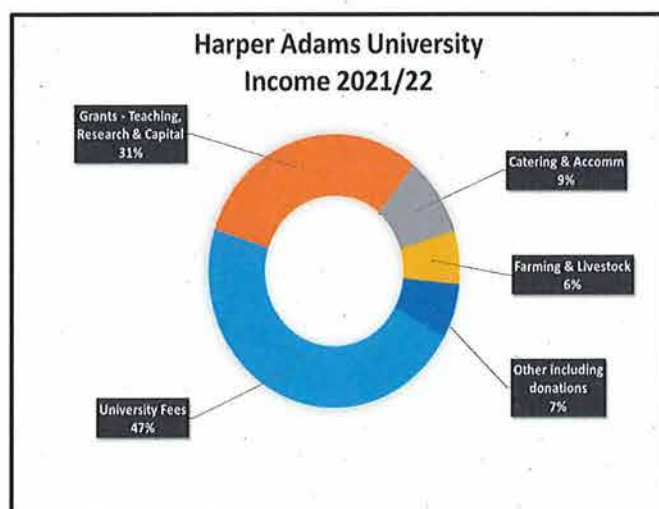
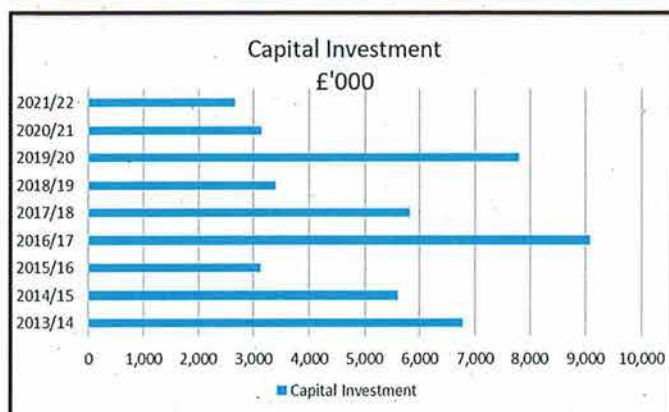
Professor Ken Sloan
Vice-Chancellor and Chief Executive
25 November 2022

The Year in Numbers:

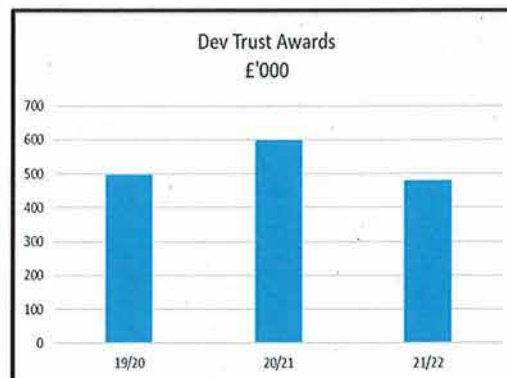
#1

University for Career Prospects

WhatUni Student Choice Awards 2022



Our 2021/22 Students represented 41 Countries from around the globe!



5,351 Enrolments

Of which...

- **50.1 %** Full time
- **40.46%** workforce development / Part time students with Partner delivery.

#1

...in the world for Agriculture and Forestry employer reputation – QS World University Subject Rankings 2022.

International Students by Level

Postgraduate Taught/MRes	12%
Research - PhD	10%
Undergraduate	78%

Financial Highlights

For the Year Ended 31 July 2022

	2021/22 £'000	2020/21 £'000	Change
Consolidated Statement of Comprehensive Income			
Tuition fees	20,765	20,166	3%
Funding Council Grants	11,855	9,932	19%
Research Grants and Contracts	2,946	2,579	14%
Other Operating and Investment Income	9,468	8,185	16%
Donations and Endowments	456	1,040	(56%)
Total Income	45,490	41,902	9%
Surplus / (Deficit) for the year excluding Loan repayment break costs	286	(159)	(280%)
Loan Break Costs	(1,085)	-	
Deficit for the Financial Year	(799)	(159)	(403%)

	2021/22 £'000	2020/21 £'000	Change
Consolidated Statement of Financial Position			
Fixed Assets (incl Biological Assets)	89,524	91,480	
Investments	1,109	1,087	
Net Current Assets	29,922	10,765	
	120,555	103,332	17%
Long Term Creditors and Provisions	(52,211)	(55,260)	6%
Total Net Assets	68,344	48,072	42%

	2021/22 £'000	2020/21 £'000	Change
Capital Expenditure in Year	2,375	3,140	(24%)
Net Cash inflow from Operating Activities	6,649	6,358	5%

Strategic Review

This has been a year of transition for the University with the campus returning to face to face teaching and post lockdown ways of working retaining some of the flexibilities and methods adopted during the course of the pandemic. Also, the University welcomed our new Vice Chancellor in November. The financial result for the year has not been affected significantly by the Covid-19 pandemic, in contrast to 2020-21.

The University welcomed 722 new undergraduates including 69 to the vet school at the Harper Adams campus for the 2021-22 academic year, this representing an increase of an additional 100 in comparison with 2020-21 where recruitment was low mid - pandemic. Apprentice routes to both degree and taught postgraduate was strong with a further 38 commencing their studies in 2021/22. During the early part of the year there continued to be blended delivery in response to the pandemic and social events were managed carefully, however during the year it has been possible for the University to return to pre -pandemic operations whilst benefitting from some remote delivery for teaching and support to provide an improved student experience. Our research activities and knowledge exchange work have increased in comparison with 2020-21 which was disrupted by the pandemic, however in the first half of the year there continued to be delays with research contract completions by grant awarding bodies which delayed the commencement of work. There have been opportunities to utilise on site facilities and services to generate revenue and we were able to re-open by Easter and we were able to welcome back recurrent events for the first time since 2019. The overall 2021/22 results show increases in all operational income whilst there has been an increase in costs as activity increased with additional exceptional refinancing costs adding £1.185m to interest as long term fixed interest loans were repaid early which resulted in break costs and £0.2m to professional fees. As a result of these exceptional costs the University has incurred a deficit of £0.79m for the year.

The financial strategy is an integral part of the University's overall Corporate Plan and is essential to achieving its key strategic objectives, which provides for the development of infrastructure and delivery of high-quality programmes of study, whilst ensuring financial sustainability. In December 2021 the University issued £25m, 30-year loan notes to an American institutional investor, refinancing existing bank loans of £12m and increasing debt by a further £13m. Much of the existing bank debt were subject to long term fixed interest rates which were subject to early termination break costs totalling £1.185m. The additional cash reserves are intended to enable an acceleration of investment in a number of prioritised projects across the campus which would be planned to be matched by capital grants and donations. Performance indicators are monitored to assess the progress of the institution against key objectives, which include teaching excellence, student engagement, internationalisation and research.

The medium-term financial strategy for the university is to generate operating cash in excess of 14% of income

Scope of Financial Statements

The financial statements for the year ended 31 July 2022 comprise the results of the University, its wholly owned subsidiary, Cedar Energy Limited, and the separately registered charity, Harper Adams University Development Trust, which operates independently of the University but is consolidated within the Group financial statements to recognise the beneficial arrangements derived by the University.

Financial Statements

The financial statements are prepared in accordance with FRS102 under the HE and FE SORP 2019. The financial statements summarise the financial position and performance of the institution, together with the referenced notes to the accounts. These comprise:

- Statement of financial position that summarises the assets, liabilities and reserves at the end of the financial period;
- Statement of Comprehensive Income and expenditure that summarises the financial performance for the period of report and consequential reserves movement;
- Statement of Changes in Reserves; and
- Statement of cash flows for the reporting period

The University revalued its teaching and research facilities and 237 hectares of University land on transition to FRS102 as at 1 August 2014. As a result, the asset values were uplifted by £32m on transition, increasing total net assets reported.

The University has chosen to continue to account for government funded capital grants over the life of the assets that these grants have funded, matching the annual depreciation charge with a recognition of grant income. The balance of government capital grants deferred of £12.3m is reported as a long-term creditor whilst the likelihood of the liability crystallising is extremely unlikely, only in the event of institutional failure.

Financial Performance

The University group report a deficit of £799k after taxation, actuarial charges of £2.5m and exceptional loan break costs of £1.185m (2020/21 deficit: £159k)

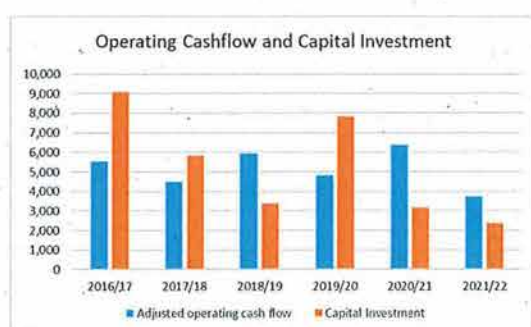
Income has increased in comparison to 2020-21, with some recovery from the pandemic disruption suffered in 2020-21 including residential refunds for periods of Government restrictions. The second cohort of vet school students were welcomed at the beginning of the academic year with an intake of 128 students (2020-21 -118 students), 50% attributed to the University equivalent to £2.657m.

The University group has a number of key performance indicators that it monitors as part of its financial strategy. Performance over the last two years shows:

Key Financial Ratios as a % of		
Income	2021/22	2020/21
Operating Surplus / (Deficit)	(1.8%)	0.4%
Surplus / (Deficit)	(1.7%)	(0.4%)
Staff Costs	57.6%	60.5%
Operating Cash	14.6%	15.2%
	£'000	£'000
EBITDA	5,500	5,230
Operating Cash Generated	6,649	6,358

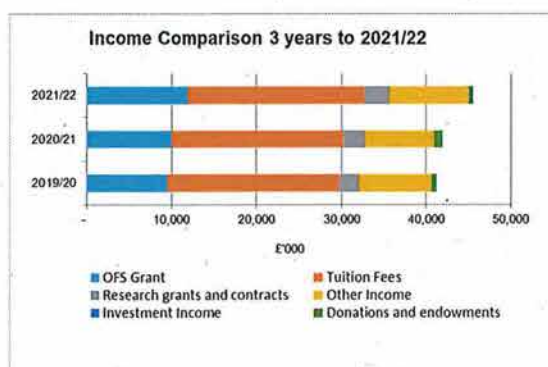
Under FRS102 presentation, operating cash generation is one of the key indicators of financial sustainability and to continue to invest to deliver a high-quality experience for our students and staff.

In the current year underlying capital investment was made in refurbishment of the first Vet nursing unit that has been upgraded to provide facilities equal to that in the new Veterinary Education Centre that was completed in 2020-21. The University was successful in its bid for capital grant of £496k from the OFS which funded the VNU refurbishment and additional equipment both in the laboratories „Veterinary Education Centre and animal handling facilities to increase teaching capacity.



Income

Total income increased by £3.6m, in comparison with the 2020-21, with growth across all operational areas.



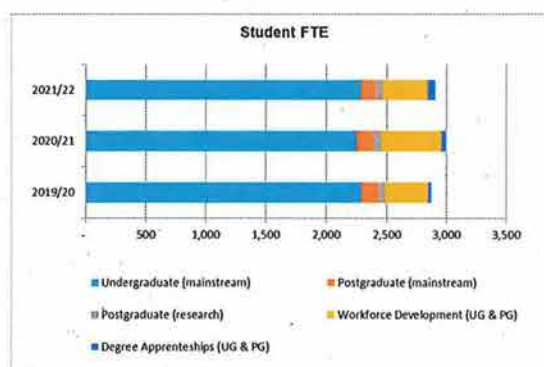
Residential income from on campus resident students returned to pre-pandemic levels as for the previous two years fees were waived for students unable to return to campus reducing residential income by between £700k – £1m per annum. Opportunities for the University to generate other income through catering, accommodation and event management, short courses were able to recommence following the removal of pandemic restrictions increasingly through the year. The University continued to operate with a flexible approach with some off site working continuing with many meetings continuing to operate in a virtual environment, this has reduced footfall on campus and has resulted in catering revenues to be restricted.

The University claimed Furlough grant under the job retention scheme in respect of the contracts disrupted due to Covid-19 from March 2020 to October 2021 totalling £1k in 2021-22 (2020-21 £200k).

The University was awarded £505k HEIF grant (2020-21; £489k) from Research England to support knowledge exchange activities with industry clients. During the year the School of Sustainable Food and Farming (ssff) gained wider support from industry partners, providing the platform for Agriculture and food supply chain sustainability to be addressed in both teaching, skills development and research.

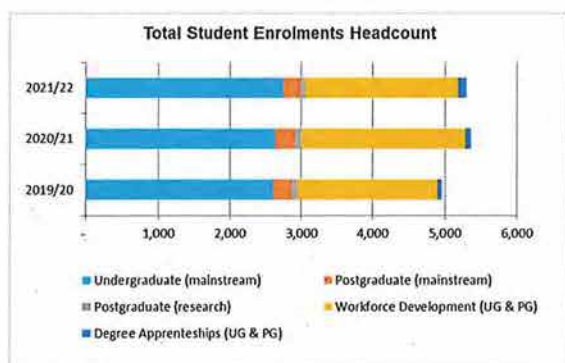
Applications offers and enrolments

The University maintained overall student enrolments at similar levels to previous year with a small increase of undergraduates due to improved student recruitment, the vet school accepted a second cohort of 128 students with 115 progressing to the second year, in the joint school, with 50% attributed to Harper Adams University.



Higher skills development provided to the industries that we specialise are delivered as higher-level apprenticeships and also shorter single modules for specialist skills.

Contrasting the FTE chart above, student the headcount chart demonstrates the significant number of part time students who receive CPD / professional skills taking one or two specific modules.



The fourth cohort of apprentices were recruited with close liaison between the University and employers.

Research Grants and Knowledge Transfer

Further successes in winning research and consultancy contracts were achieved, with 45 contracts awarded at a value of £2.0m in the year (2021: £2.8m), and projects in the year generating income of £2.9m (2020: £2.6m). Disruption to activity as a result of the pandemic delaying contract completion did delay project completion in first half of the year. Research is often undertaken in partnership with industry which enables this work to be translated directly to industry practice. The University has recognised research and contract income under the performance method where income is recognised when specific delivery milestones are met as defined under the contracts.

The University works closely with industry to support industrial research and innovation, and build the capacity of the University to increase the involvement of science and technology in farming practice, whilst also developing, through innovation, new products and markets to support economic development. The Farm has been restructured in the year with activities previously operated by academic departments

Other Income

Post pandemic recovery of conferencing, events and short courses has enabled some recovery University to generate additional income from its facilities and infrastructure with conferences normally held during academic vacations with the campus established as the venue for a number of annual conferences. Many groups have held their events for many years at the University and have started to return to the campus in July 2021 with groups and events welcomed back to the University initially with numbers restricted to ensure groups operated in a Covid secure way.

The University has over 800 student rooms on campus providing a full range of accommodation which is managed and operated by the University. Residential income is offered primarily to first year students and international students.

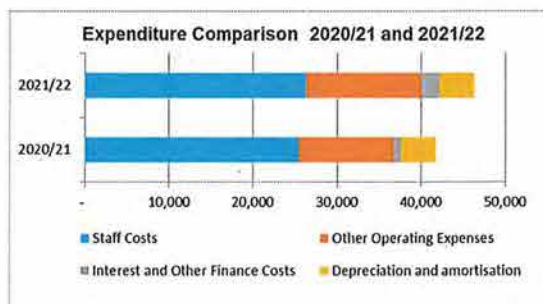
Capital developments and investment during the financial year

University capital investments amounted to £2.375mm, which included a series of estates and IT infrastructure projects were delivered to improve the resilience and capacity of these systems.

The Veterinary Nursing Unit was refurbished with design and finishes consistent with the Veterinary Education Centre that was completed in 2020 The University received £0.5m capital grant to support this and other teaching equipment.

Expenditure

Expenditure returned to pre-pandemic levels to support student learning. In second half of the year the inflation across many classes of costs, most notably utilities, Animal feed and fertiliser and catering supplies.



Pay costs represent the largest single element of the University's expenditure, at £26.2m equivalent to 57.6% of income. This includes 50% of joint vet school related costs which have increased in the year from £473k to £ 973k which is £100k below that budgeted

2021-22 was the second full year of the impact of increases in both Teachers Pension Scheme (TPS) and LGPS schemes. Employer contributions to TPS scheme were increased in September 2019 from 16.3% to 23.68% increasing pay costs for a year by year by £500k. The University is required to participate in the TPS for academic staff. Following the Local Government Pension Scheme (LGPS) triennial valuation in 2019 an uplift of 2.1% to 16.48% for employer contribution was agreed from April 2020. The 2022 LGPS revaluation based on 31 March 2022 data will be available for discussion with the scheme in November 2022 in advance of implementation in April 2023

The University is required to recognise an actuarial valuation in accordance with UK accounting standards for the LGPS scheme. The result of the valuation impacts staff costs, interest costs and pension liabilities represented on the Balance Sheet. The LGPS pension charge totals £2.55m (2021: £2.45m) including interest.

LGPS pension costs for support staff recognise the annual costs of pension deficits as estimated by actuarial valuations, increasing staff costs by £2.0m (2021: £1.9m) and £552k (2021: £538k) of interest charges. The charges include charges recognising the McCloud case, based upon equal pay post 1990 where guaranteed minimum pension benefits are required to be equalised (GMP). GMP affects schemes contracted-out on a salary-related basis between 1978 and 1997. The minimum pension benefit between April 1978 and April 1997 was intended to replicate the SERPS benefit given up by contracting-out. Government legislation dictated how GMP was to be calculated and when it would become payable. Since 1990, the law required pension benefits to be equalised between men and women except state pensions which would not be adjusted.

However, issues arose as the SERPS benefit being replicated by GMPs lead to inequality for men and women. For example, SERPS benefits become payable to men and women at different ages (65 and 60 respectively) thus the rate at which the benefit is accrued differs.

The University has opened a Group Personal Pension plan with Scottish Widows in the year with professional services staff joining the University offered this scheme.

The University has during the year undertaken some departmental structural reviews with restructuring costs of £140k committed during the course of the year. The University participates in national pay awards as agreed by UCEA on behalf of the Higher Education sector, where a cost of living increase was not offered for 2020-21.

The University is an apprenticeship levy-paying employer incurring a levy of 0.5% of its salaries less a £15,000 annual allowance, into an apprentice account. The funds in the account, topped up by 10% from the government, can be invested only in the training and assessment costs associated with university staff apprenticeships. In 2021/22 the University invested 48% of the available funds to provide apprenticeships to 11 employees. In 2022-23 the University is projected to invest 51% of available funds to provide apprenticeships to 9 employees. Apprenticeship posts continue to be promoted across the University. The University has pledged to transfer a proportion of its unused apprentice funds to help SMEs with courses related to the Harper Adams curriculum. In 2021/22 we transferred 9% of unused funds.

Other operating expenses increased by £2.5m, in the period, to £11.3m from £13.8m in 2021/22. Inflationary pressures on key supplies including animal feed and utilities impacted on overall costs. In establishing the joint vet school with Keele University, Harper Adams University incurred costs of £618k in the year (2021: £162k) following the vet school accepting its second cohort of students.

The University has continued to use specific outreach funding that enabled the establishment of a team to work with schools to raise aspiration and widen participation in higher education, activity This was disrupted due to the pandemic with events held in 21-22 Income and expenditure totalling £245k (2021: £257k).

Taxation

The University has partnered with two Chinese universities for a number of years where their students undertake two years study in China and then either one or two years on campus in the UK. As agreed under the collaboration arrangements Harper Adams University staff deliver lectures in China. The Chinese authorities have reinterpreted their taxation legislation and are now classifying in-country delivery as creating a permanent establishment in China which would result in a Chinese tax liability. The University has continued to work with tax advisors to assess the potential liabilities with £758k included within provisions at the year end.

Cedar Energy

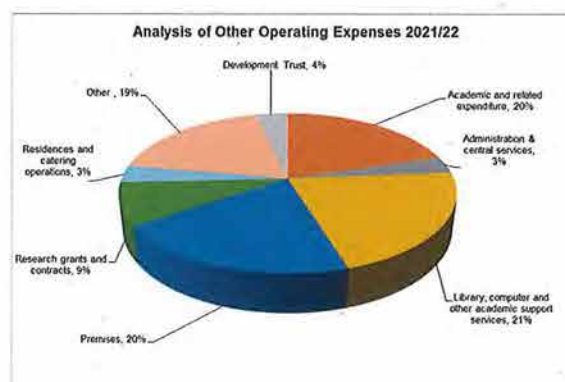
The University has assessed the company's business plans following the establishment of trading with the new plant, which demonstrates that the company is in a position to meet its immediate liabilities. Consequently, the investment in the subsidiary at 31 July 2022 is considered to be appropriately carried at cost.

Cashflow and Financing

The University refinanced its debt in the year repaying all bank loans and issuing 30 year, £25m fixed rate loan notes to a US institutional investor, Pacific Life in December 2021. This increased loan indebtedness from £12.5m to £25m. In repaying the existing loans those issued for long term fixed rate debt there was early repayment break costs of £1.085m and further transaction costs of £195k including agent and legal costs for both the University and Investor. In issuing the notes loan covenants have been simplified on improved terms. The University has managed its liquid resources through a combination of treasury and cash deposits against a debt of £25.35m to give net funds of £ 1.185m (2020/21: net funds of £0.95m).

Pensions

LGPS pension liabilities reduced significantly in the year with the updated actuarial valuation assessing the University's share of scheme liabilities at £13.9m from £32.5m at the start of the year. The key change within the valuation was, the significant increase in year-end discount rates applied by the actuary to the future liabilities and discounted back to today's value, the higher the value of discount rate applied the lower the value of liabilities at current value. The accounting standard requires that the actuary uses a 31 July discount rate determined by the investment return on AAA rated corporate bonds. By the Bank of England raising interest rates and Gilt returns increasing this also increases the returns on corporate bonds.



Pensions costs and associated liabilities continue to be a key risk across the higher education sector. The employer's contribution rate for the Teachers' Pension Scheme operating in England and Wales increased by 44% with effect of September 2019. The next revaluation is likely to result in further rate increases in 2023.

The Financial Future

The University is in a period of transition and a revised strategic plan.

Harper Adams University is committed to the delivery of excellence in academic activities, and resources are strategically invested to this end. Having increased the university farm by 97ha in 2017-18 we have now dedicated 35ha in order to establish the Hands-Free Farm. Work started in 2020 as an extension of the activities on cultivation with autonomous vehicles that was demonstrated through the Hands-Free Hectare project. The new vet school has accepted a slightly larger than anticipated intake of undergraduates in the first three years of operation from September 2020. There has been ongoing engagement with RCVS during the year as the school opened. More staff appointments are planned over the period of establishment as student numbers increase. The University invested £10m in the veterinary sciences building and related animal facilities to ensure that all relevant students have access to appropriate resources. There are new plans in course of development to further build on the University's expertise in animal sciences and animal health.

Student recruitment continues to be very competitive and whilst the number of 18-year olds leaving school are increasing in the UK the student fees remain fixed at 2015 levels at £9,250 whilst annual UK inflation figures are at 10.1% consequently the University is exploring alternative sources of income including international students, short courses and CPD. The continued focus on student experience, student and graduate outcomes, our work with industry and building the institution's reputation will be key to ongoing financial sustainability.

The University keeps under review the impact of the UK's exit from the European Union on the University's financial forecasts. The University is operating in a highly competitive market. We highlight to potential students the opportunities that exist in the industries and professions in which we specialise. The University's largest cohort of European students come from the Irish Republic where we have close links.

Research funding opportunities continue to be highly competitive. However, by working collaboratively with industry and key partners we plan to increase research income across the university. The number of bids being made across the University has increased.

The University is planning to build on the excellent links that we already have with Industry to establish a more coordinated approach to extending links with industry and other partners. The School of Sustainable Food and Farming initiative working with Morrisons, RAFT Solutions to support the transition to more sustainable food systems. The industry partners will support production system research and for this to be translated into practical skills training. This opportunity to lead on sustainable farming and to be able to demonstrate on our own farm will be enable the linking of research, knowledge exchange and teaching. The University's unique academic group of Agri – economists

Whilst the University targets growth, the efficiency of processes and systems continues to be developed across the

University. This will enable increased numbers of students to be supported, more research grants can be managed and employer engagement coordinated. Processes are reviewed, refined and automated to improve student and staff experience and to maximise resources that are invested in academic activities.

The University continues to explore ways of widening the accessibility of our specialist staff and resources building on the experience gained during the course of the pandemic.

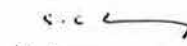
With home undergraduate fees frozen to at least 2024-25 the University is identifying alternate markets where fees are not so constrained building on the University's strong credentials in delivery of CPD and professional courses.

The Farm has been restructured in the year with activities previously operated by academic departments now under central control of a Farm Director whose focus will primarily be the academic mission of the University. The University has also, withdrawn from a tenancy 10miles distant from the campus reducing overall farmed area to 494 Ha.

The University is committed to widening participation and recognise that cost of living pressures will impact and the University will make available hardship funds to support students



Peter Nixon
Chair of Governors
25 November 2022



Liz Furey
Chief Financial Officer
25 November 2022

Streamlined Energy and Carbon Reporting

The University has energy efficiency and reducing carbon emissions as one of its five key strategic aims, not only for its academic facilities, but also for the University Farm. The University Group invested in energy infrastructure, including a CHP engine, Biomass boiler, connected to a campus wide heat main in addition to photovoltaic panels in a project completed in 2017.

The University is progressing with a carbon management plan that has been assessed for 2020-25, which commenced 1 August 2020. A carbon reduction opportunity review identified a total of 67 projects. Successful implementation should deliver a scope 1 and 2 emission reduction of 637 tonnes CO₂. The estimated capital expenditure is £1.5m over the duration of the plan (inclusive VAT) forecast to deliver savings in utilities costs (benchmarked at May 2020) of £350k per annum.

During the year we purchased 3,434 MWh 100% clean energy renewables, backed by Renewable Energy Guarantee of Origin (REGO) certified energy supplies (04/2020 – 03/2021 and 04/2021 – 03/2022)

The University is required to report current UK based annual energy usage and associated greenhouse gas emissions in line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019. The SECR return includes relevant mandatory reporting emissions along with voluntary submissions for power consumption from renewable and low carbon technologies.

Intensity Measurement

Intensity ratios reported are the total gross emissions in metric tonnes CO₂e per full time equivalent staff and full-time equivalent students, an established reporting ratio for the Higher Education sector.

Methodology

Harper Adams University has followed the 2019 HM Government Environmental Reporting Guidelines, utilising the Greenhouse Gas Reporting Protocol – Corporate Standard and have applied the 2022 UK Government's Conversion Factors for Company Reporting.

Energy efficiency action taken in the financial reporting year

- Tendered and awarded a contract for consultancy support for the development of a University decarbonisation strategy to demonstrate technically viable pathways to reach Net Zero by 2030.
- Installed 4 roof based solar PV systems with a combined power rating of 168.72 kWp, potentially generating c. 152,000 kWh p.a. and offsetting c. 35 tonnes CO₂e
- Continued to purchase 100% renewable energy, backed by Renewable Energy Guarantee of Origin (REGO) certified energy supplies.

UK Greenhouse Gas emissions and energy use data (Financial Years 2021/22 & 2020/21)

	Energy (kWh)			Emissions (tCO ₂ e)		
Energy Source	2021/22	2020/21	2021/22	2020/21		
Mandatory energy use & emissions:						
Scope 1						
Natural Gas	7,837,767	9,009,677	1,430.71	1,650.2		
Transport – company owned vehicles	344,339	290,687	93.5	78		
			Location-based	Market-based ¹	Location-based	Market-based ²
Scope 2						
Purchased Electricity	3,434,479	2,610,113	664.16	0	554.2	0
Scope 3						
Transport – Business travel – employee owned vehicles & contracted hire cars	105,599	36,564	25.4	9		
Total gross energy & emissions: (Mandatory)	11,722,184	11,947,041	2,213.86	2,291.4		
Intensity Ratios						
Tonnes of CO ₂ e per student			0.42	0.45		
Tonnes of CO ₂ e per student and FTE staff			0.38	0.41		
Voluntary energy use & emissions						
Scope 1						
Biomass	757,634	990,167	7.98 ³	15.3 ⁴		
LPG & Kerosene	61,596	93,004	13.2	24.2		
Generated electricity consumed on site ⁵	481,159	486,222	0	0		
Total gross energy & emissions (Voluntary)	1,300,389	1,569,393	21.18	39.5		
Total gross energy & emissions (Mandatory & voluntary)	13,022,573	13,516,434	2,235.03	2,330.9		

¹ Zero emissions resulting from purchase of clean energy renewables, backed by Renewable Energy Guarantee of Origin certified supplies (consecutive certificate periods 04/2020 – 03/2021 & 04/2021 – 03/22). Supplier: EDF Energy

² Zero emissions resulting from purchase of clean energy renewables, backed by Renewable Energy Guarantee of Origin certified supplies (consecutive certificate periods 04/2020 – 03/2021 & 04/2021 – 03/22). Supplier: EDF Energy

³ [N₂O & CH₄ only emissions]

⁴ [N₂O & CH₄ only emissions]

⁵ Solar photovoltaic – Diary & Jebb, excluding exported energy (kWh) to the National Grid

Energy & emission reductions:				
Scope 1				
Generated electricity exported to grid	11,779	24,943	2.28	5.3
Scope 2				
Net electricity consumption	3,422,700	2,585,170	661.88	548.9
Total net energy & emissions (Mandatory & voluntary)	13,010,794	13,491,491	2,232.76	2,325.6
Out of scopes				
Biomass	757,634	990,167	267.66	350
			<i>[CO₂ only emissions]</i>	<i>[CO₂ only emissions]</i>

Report of the Governors and Corporate Governance Statement

The Governors have pleasure in presenting their report and financial statements for the year ended 31 July 2022 and confirm they comply with the requirements of the Charities Act, the Memorandum and Articles of Association of the University and the Statement of Recommended Practice: Accounting for Further and Higher Education (FEHE SORP).

The principal activity of the University is the provision of higher education in agriculture and land-based subjects conducted on an estate of 494 hectares (including the University Farm). The University's mission is: To provide world leading higher education and research for the delivery of sustainable food chains and the protection of rural resources for future generations. The essential strategic aims necessary to fulfil this mission are identified in the University's current strategic plan 2020/25. The financial statements should be read in the context of a continuous endeavour to secure these aims. The preparation of a new Strategic Plan "Harper 2030" is well advanced and will be completed during 2022/23.

The objectives of the University are set to reflect our educational aims and ethos. In setting our objectives and planning our activities the Governors have considered the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance.

Our key objectives during 2021/22, were to continue to deliver the objectives of the University's Strategic Plan, while starting the process of reviewing the current plan with a view to developing a new plan for the period to 2030 reflecting national and global changes that are affecting HE as well as changes in the graduate skills and knowledge needed for careers in the specialist industries and professions that our education, research and knowledge transfer supports. The Board also oversaw a successful transition between the retiring Vice-Chancellor, Dr David Llewellyn in July 2021 and the arrival of Professor Ken Sloan in November 2021. The Board is grateful to Professor Michael Lee, Deputy Vice-Chancellor, for assisting in this transition and taking on the role of Acting Vice-Chancellor July-November 2021. The Board welcomed and completed induction for new Board members to replace those members whose terms of office came to an end in July 2021. Further details of these appointments are set out later in this report.

Using a growing range of digital and other platforms for flexible engagement with stakeholders, the University continues to play a distinctive and key role within the UK Higher Education sector, as a leading specialist provider of land based higher education, providing world leading teaching and research that meets the needs of the agri-food chain. Please see the Chief Executive's Report earlier in this document for further information.

Statement of Financial Responsibilities

In accordance with the University's Memorandum and Articles of Association, the Board of Governors is required to present audited financial statements for each financial year.

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and

Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

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

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

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

The Board of Governors is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;

- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

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

Disclosure of information to auditors

At the date of making this report each of the University's Board members confirm the following:

So far as each Board member is aware, there is no relevant information needed by the University's auditors in connection with preparing their report of which the University's auditors are unaware; and

Each Board member has taken all the steps that they ought to have taken as a member in order to make themselves aware of any relevant information needed by the University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information.

Higher Education Grant Funding

Funding for the University's higher education students was provided by the OfS in the form of teaching related grant. Quality related research and knowledge exchange grants were provided by Research England.

Auditors

Grant Thornton UK LLP were appointed as auditors further to a procurement process in 2020/21 and offer themselves for re-appointment as auditors in accordance with Section 489 of the Companies Act 2006.

Corporate Governance Statement

General Principles

The University is committed to exhibiting best practice in all aspects of corporate governance. This section describes the manner in which the University has applied the principles set out in the Committee of University Chairs (CUC) Higher Education Code of Governance. The Code takes account of the relevant sections of the Combined Code on Corporate Governance as they relate to the work of Higher Education Institutions.

The University changed its legal status from that of an unincorporated organisation established by Trust deed to that of a Company Limited by Guarantee with effect from 1 August 2012. The University retained its status as a Registered Charity in its new legal form. It is established as a higher education institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its latest objects, powers and framework of governance are set out in the Articles of Association approved by the Privy

Council in 2012 and as amended from time to time. The Privy Council conferred its approval for the award of University Title to Harper Adams University on 7 December 2012. The University secured Privy Council permission in 2020/21 for the Board of Governors to make changes as permitted under HERA 2017.

The University endeavours to conduct its business in accordance with the values of the CUC HE Governance Code which are integrity, sustainability, inclusivity, excellence, innovation and growth and community together with the accepted standards of behaviour in public life (the 'Nolan Principles') which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Governing Body and Academic Board

The articles require the University to have a Governing Body and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Board of Governors is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members, chosen in accordance with strict criteria. The chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and students. No members of the governing body receive any reimbursement for the work they do for that body. The Governors are the Trustees of the University.

Subject to the overall responsibility of the governing body, the Academic Board has oversight of the academic affairs of the institution and draws its membership largely from the staff and the students of the institution. It is particularly concerned with general issues relating to the learning and teaching, research and knowledge-exchange work of the institution. The Academic Board reports to the Board of Governors.

The Board of Governors has adopted a statement of primary responsibilities in which the major activities it covers are described in further detail. The Board of Governors has also established key performance indicators with which it monitors the performance of the University. These are due to be refreshed during 2022/23 to reflect the new Strategic Plan.

In respect of its strategic responsibilities, the Board of Governors receives recommendations and advice from the Academic Board and its committees, the University Executive and joint meetings, where required, of the University Executive and members of the Board. The Board of Governors considers the development of strategic and annual plans and monitors, amongst other items, compliance with the University's Instrument and Articles of Government, the conduct of financial management, human resources management, academic and student related developments, the management of academic quality and standards, the management of major estate developments, progress with major projects and risk management. Regular reports on developments of note, including liaison with external

agencies, are presented to the Board by the University's Vice-Chancellor and other senior managers.

The Board has direct responsibility for oversight of a number of key risks identified in the University's Risk Analysis and Action Plan which is reviewed annually by the Audit and Risk Management Committee and recommended to the Board for approval. The Risk Analysis and Action Plan includes the University's Risk Policy and a statement of its Risk Appetite and provides an evaluation of each risk based on likelihood and the impact of risks becoming a reality. It covers risks related to business, operational, compliance and financial matters. The latter sets out how a balanced portfolio of risk exposure will be maintained and managed and the Risk Analysis and Action Plan identifies the responsible individuals who take a lead role in managing risks, and how action planning is incorporated into normal business processes. The Plan includes a mapping document that illustrates how the Risk Analysis and Action Plan (RAAP) supports the strategic objectives of the University. The internal auditors provide annually a mapping of how their planned programme of work provides assurance to the Committee and to the Board on key risks identified in the RAAP. Where appropriate, the University engages specific expertise to advise and enhance its arrangements for managing key risks and incorporates outcomes into the RAAP. It also ensures that it engages with sector wide briefings and workshops on key areas of risk for UK HEIs such as the Prevent Duty, UKVI compliance and Competition and Markets Authority requirements. All risks areas are assigned to the Board or one of its committees for monitoring and actions are reported upon at each meeting of the relevant committee.

The Board acknowledges that it is responsible for a sound system of control and requires that the Audit and Risk Management Committee commission the internal auditors to review an aspect of risk management annually. A report on the outcome of the annual audit of risk management is presented to the Board in the Annual Report of the Audit and Risk Management Committee.

The Board of Governors has established a Governance Review Group that has conducted a number of assessments of the Board's performance. During 2021/22 the Governance Review Group, taking into account independent external advice, focused on the triennial major review of the effectiveness of the governing body. This involved a workshop facilitated by an independent external adviser with significant HE governance expertise. The review was completed in September 2022. The outcome of the review was very positive with a small number of areas for further action identified for action during 2022/23. These were: confirming revised arrangements for the appraisal of the Vice-Chancellor and other senior staff in light of the updated CUC HE Senior Staff Remuneration Code (due to be completed by early 2023); confirming KPIs during 2022/23 that will measure progress with the new Strategic Plan for the period to 2030; encouraging the Students' Union President to report to the Students' Union Executive and Trustee Board on her work as a Governor and the wider work of the Board; inviting staff observers to write a short report on their experience of attending a Board meeting for the University's Newsletter; arranging further opportunities for Board members to meet staff and students in person now COVID restrictions are lifted; consider enhancing the next external review through inclusion of feedback from staff/external observers of

Board/Committee meetings and/or 1 to 1 discussions with members. Progress with all actions will be monitored by the Board until they are completed.

HEFCE conducted an Assurance Review of the University in June 2017. The report was positive about the governance arrangements and made no formal recommendations for action. The OfS included the University in a sample of providers for Prevent Review Meetings in 2019. The outcome of the PRM was positive with no areas for further action. More recently, in 2020/21 internal auditors have audited University compliance with the revised CUC Code of Governance published in September 2020, identifying only one low level action which has already been completed.

In accordance with the Articles of Government, the University Secretary has been appointed as Clerk to the governing body. In that capacity, she provides independent advice on matters of governance to all members of the governing body. The Academic Registrar and Director of Academic Services (from Sep 2022 title will be Pro Vice Chancellor Education and Students) acts as Secretary to the Academic Board.

The University maintains a register of interests of members of the governing body and senior officers which is published on the University's web pages.

The Vice-Chancellor/Chief Executive

The Vice-Chancellor/Chief Executive is the head of the University and has a general responsibility to the governing body for the organisation, direction and management of the institution. Under the terms of the formal financial memorandum between the University and OfS, the head of the institution is the accountable officer and, in that capacity, can be summoned to appear before the Public Accounts Committee of the House of Commons.

As Chief Executive, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy and the identification and planning of new developments. Other senior academic and administrative officers contribute in various ways to these activities, but the ultimate responsibility for what is done rests with the governing body. Dr David Llewellyn retired from the role of Vice-Chancellor on 31 July 2021. Professor Michael Lee, Deputy Vice-Chancellor was appointed by the Board to the role of Interim Vice-Chancellor for the period to 31 October 2021. Professor Ken Sloan took up his appointment as Vice-Chancellor with effect from 1 November 2021.

Governing Body Committees

The Board of Governors and its committees are formally constituted with terms of reference and delegated powers. Although the governing body meets at least four times each academic year, much of its detailed work is initially handled by committees, in particular the Audit and Risk Management Committee, Finance and General Purposes Committee, Staffing Committee, Nominations Committee and Remuneration Committee. The decisions of these committees are formally reported to the governing body.

A significant proportion of the membership of these committees consists of independent and co-opted members of the governing body. Co-opted student and staff members may also be eligible to serve on some of the committees, subject to the provisions of the Articles. The chairs are normally selected from the co-opted and independent members. No Governor is a member of both the Audit & Risk Management and Finance & General Purposes Committees.

The Audit & Risk Management Committee meets four times a year, with the University's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, including the safeguarding of assets and prevention and detection of fraud, and management responses and implementation plans. It also receives and considers reports from the OfS and Charities Commission or other bodies in the HE sector as they affect the University's audited risk management activities, and monitors adherence to regulatory requirements. The Committee consists of lay members. Whilst senior University officers attend meetings of the Audit & Risk Management Committee, as required, they are not members of the Committee. At least once a year, the lay members of the Committee meet with the Internal Auditors and the External Auditors for independent discussions. The Committee also mapped its arrangements against the updated CUC HE Audit Committee Code of Practice published in June 2020. No major issues were identified, however a small number of actions that will further enhance current arrangements were identified and implemented during 2020/21. These were: inclusion of a specific standing item at each meeting to remind members they may meet with auditors privately or have a members only discussion; to further formalise the current arrangements for seeking approval and recording other work undertaken by external auditors; to receive the fraud policy annually as an aide memoire following its annual review by Finance and General Purposes Committee; to invite co-opted members to observe a meeting of the Finance and General Purposes Committee; to receive and complete the year-end questionnaire that Board members are asked to complete; and to review the previous CUC checklist for annually evaluating the performance of auditors against the new checklist so it can be used in 2020/21 for this purpose. The Board considered the Committee's report on its analysis in light of the new Code and approved the Committee's proposals to further enhance its arrangements. The Audit and Risk Management Committee has conducted its effectiveness, as it does annually and has reported to the Board on its findings. The 2021/22 review was very positive overall.

The Finance and General Purposes Committee meets four times a year. Amongst other items it recommends to the Board of Governors the University's annual revenue and capital budgets and monitors performance in relation to approved budgets. It also reviews progress with major strategic projects including capital developments. The Committee is responsible, on behalf of the Board of Governors, for ensuring that proper accounting records are maintained and that the University complies with the FEHE SORP and the OfS Accounts Direction for Higher Education Institutions. The Committee oversees the preparation of financial statements.

The Staffing Committee meets three times a year and oversees the development and implementation of the University's HR Strategy, staffing policies, equality and diversity arrangements and staff training and development.

The Nominations Committee considers nominations for vacancies in the Board of Governors' membership in accordance with the University's Articles of Association. The Committee has a majority of lay members, consisting of the Chair, Vice Chairs, a further lay governor and the Vice-Chancellor. The Nominations Committee considers skills, professional background and experience, geographical distribution and the promotion of diversity in its succession planning and governor recruitment and appointment processes. Information about the role of Governors and background information on the University is provided to those interested in serving on the Board to ensure that new Governors are aware of the range of responsibilities attached to University Governorship. Newly appointed Governors attend induction sessions normally held as soon as possible after confirmation of appointment. Governors also attend development sessions on a range of topics during the course of their appointment, including those offered by Advance HE. Before re-appointment, Governors who are at the end of their first term of office are evaluated by the Nominations Committee on the contribution they have made to the Board's work. In normal circumstances Governors retire at the end of a second term of office, although the Nominations Committee will consider individual exceptional cases for an extension of appointment in accordance with the CUC Code of Governance. The Committee has benchmarked its work against the CUC illustrative Practice Note on Nominations Committees published in November 2017 and made a number of minor changes to its work, as agreed by the Board in light of the CUC's recommendations for best practice. In 2020/21, alongside placing public adverts, seeking expressions of interest from potential new Board members, the Nominations Committee also engaged the services of Inclusive Boards, a leading specialist agency in diversity and inclusion at Board level. This led to the nomination and appointment of several new members of the Board of Governors in 2021 and has been successful in increasing the diversity of the University Board membership from 2021/22 onwards.

The Remuneration Committee determines the remuneration of the most senior staff, including the University's Vice-Chancellor. The Committee's role, procedural documentation, responsibilities and delegated decision-making powers were reviewed by the Board in 2017/18 in light of the final HE Senior Staff Remuneration Code (Remuneration Code) published by the CUC in June 2018. The process was modified for 2021/22 in light of the revised Code published in November 2021. Final updated arrangements for 2022/23 have been shared with the Board by Remuneration Committee in autumn 2022 with a view to securing formal approval at the Board meeting in November 2022. The decisions made by the Committee, in accordance with its delegated authority, are reported to all members of the Board of Governors using the recommended form of report set out in the Remuneration Code. Where the Committee wishes to make a recommendation that falls outside its delegated authority, it is referred to the Board for its consideration, and if appropriate, approval. Decisions made by the Committee during 2021/22 were made in accordance with its terms of reference, and with the procedures approved by the Board

for that year. The Board has approved publication of the Remuneration Committee's report and will agree publication of its revised procedures and terms of reference as part of the University's Publication Scheme on the University's web site. The Board will also approve publication of an updated Remuneration Policy Statement which meets the guidance set out in the November 2021 Remuneration Code.

CUC Higher Education Code of Governance and CUC Higher Education Senior Staff Remuneration Code

The University has complied with the CUC Higher Education Code of Governance and the CUC Higher Education Senior Staff Remuneration Code in the year ended 31 July 2022. This included the publication on the University's website of the Annual Report and Financial Statements which includes information on institutional performance, and publication of the Remuneration Committee's Report.

Statement on Internal Controls

The University's Board of Governors is responsible for ensuring that the University's system of internal control is sound and for reviewing its effectiveness. The University's approach is a risk-based system designed to manage rather than eliminate the risk of failure to achieve business objectives, and to prevent, detect and mitigate the risk of fraud, bribery, corruption and other irregularities and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control has been in place for the year ended 31 July 2022 and up to the date of approval of the Annual Report and Financial Statements.

The Governing Body monitors the effectiveness of the process and its relationship to achieving the University's objectives on an on-going basis. It does this in a number of ways. The senior management team considers possible control issues brought to its attention by early warning mechanisms that are embedded within operational units. The senior management team and the Audit & Risk Management Committee also receive regular reports from internal audit exercises and any other internal process reviews of key systems for managing risk, which include recommendations for improvement and which are risk-based. All reports set out the action plans that will be completed by management to enhance controls where further action is needed. The Board is satisfied that risk assessment and internal control is embedded in on-going operations. Further work on risk management and a refresh of the Risk Analysis and Action Plan is underway and will be completed in 2022/23.

The internal audit reports completed during 2021/22 confirmed substantial assurance in all but two areas, with one providing reasonable assurance where actions have already been completed and one providing partial assurance where actions had been identified and are currently being worked through. The annual follow-up on completion of previous audit related actions confirmed good progress.

The Committee receives progress reports at each meeting to provide assurance that actions have been completed and internal auditors provide independent assurance on completion of actions arising from their reports. The Audit & Risk Management Committee's role in this area is confined to a high-level review of the arrangements for internal financial

and operational systems control, value for money and overall effectiveness. Each of these areas is also covered in terms of the University's Risk Analysis and Action Plan. The Plan identifies risk areas and rates each of them in terms of likelihood and impact should they become a reality and covers business, operational, compliance and financial risks. The Committee presents the Risk Analysis and Action Plan annually to the Board for its approval and adoption. The Board of Governors' agenda includes regular items for consideration of risk and control and it receives reports thereon from senior managers and sub-committees of the Board of Governors and the Academic Board. The Board has oversight of each of the highest rated risks as well as risks that are monitored at Board level and receives a report on the status of each risk as a standing item. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. Members of the Audit and Risk Management Committee are also encouraged to attend HE sector wide briefings for members of University Audit and Risk Management Committees. At its November 2021 meeting, the Board of Governors carried out the annual assessment of the Audit & Risk Management Committee's activities for the year ended 31 July 2021 by considering documentation from the Committee, internal and external audit annual reports, and by taking account of events related to the Risk Analysis and Action Plan, including the continuing impact of Covid-19. The Board agreed that there were adequate control measures in place.

The Board of Governors is of the view that there is an on-going process for identifying, evaluating and managing the University's significant risks that has been in place for the period from the beginning of January 2022 up to the date of approval of the annual report and accounts. This process accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education. Various aspects of the University's compliance with the internal control guidance have been assessed annually by its internal auditors since December 2002 so as to ensure that the University's systems and procedures continue to be satisfactory. The reviews of Governance and Risk Management arrangements during 2021/22 included the risk mitigation procedures undertaken in the areas covered by the reviews conducted as part of the 2021/22 internal audit plan. Internal audit work focused on the Health and Safety Framework for return to campus (Covid-19); Staff Recruitment and the Equality, Diversity and Inclusion Agenda; UK Visa and Immigration Arrangements, Student Visa and Skilled Worker Visa Processes; Sexual Harassment and the Implementation of the OfS Expectations; Key Financial Systems in Sales and Income Recognition; and Cyber Security Controls. Departmental review work for 2021/22 will be reported to the Audit and Risk Management Committee in November 2022. The internal auditor's reports were largely positive. Where recommendations for further strengthening existing controls were made, these have been agreed by management, with progress monitoring at each meeting of the Audit and Risk Management Committee. Formal follow-up by internal auditors of all actions will take place during 2022/23.

Employees

The University is committed to providing equality of opportunity in all areas of its operation. The University has continued to review its activities against the requirements of the relevant legislation. The University's Equality and Diversity Working Group, which is made up of staff and students, continued its work to support the University's drive to pursue the Equality and Diversity Agenda. The Group agreed an updated Single Equality Scheme during 2021/22 and will continue its work to monitor progress with associated actions arising from the Scheme and from the University's and Respect Policy. Drawing on best practice at other HEIs, work has also been continuing to address actions arising from the University's Gender Pay Gap analysis. It is also University policy to achieve and maintain high standards of health and safety by all practicable means. The Health & Safety Committee, comprising staff representatives, oversees a full programme of work in this area, including legislative developments and an audit programme.

Community

The University is one of the largest employers in the Borough of Telford and Wrekin, and the County of Shropshire. It works closely with the Borough, local town and parish councils to ensure that a collaborative approach is taken with regard to the integration of the University and its staff and students as members of the local community. During 2021/22 it has engaged local and regional stakeholders in the review of the University's Strategic Plan. Subject to compliance with value for money and University procurement regulations, local sourcing of goods and supplies helps support local businesses, while students and staff living and working on the community also play an important economic role by supporting local retail and other services. A number of staff are encouraged by the University to hold voluntary positions in local groups and organisations thereby contributing to local development plans and supporting the delivery of events and projects that benefit the whole communities in which the University is located. The University's engagement with schools and colleges in its region helps support progression to higher education through its work on widening access and participation.

Membership of the Board of Governors during 2021/22 (and up to the date of this report)

Details of membership including changes to membership that took place during 2021/22 and up to the date of this report are set out below as follows:

Members who retired from the Board during 2021/22

M Lee (- October 2021 - at the end of his term as Interim Vice-Chancellor)
E Brown (SU President July 2022)
S Mukherjee (February 2022)
E Odaro (March 2022)

Members who continued their membership of the Board during 2021/22

P Nixon (Chair)
D Wong (Vice-Chair)
V Blakeman
E Folkes
K Greetham
M Griffiths
Y Hawkins
M Ormerod
R Payne
J Reade
T Sheikh
B Shipston
E Slater
K Sloan (Vice-Chancellor from 1 Nov 2021)
U Uhumwangho
T Watson
D Winstanley

Members who joined the Board during 2021/22

C Beer (from February 2022)
B Bray (from February 2022)
J Millbank (SU President from July 2022)

The Strategic Review and the Report of the Governors and Corporate Governance Statement (which together constitute the Strategic Review and the Director's Report) was approved by the Board of Governors on 25 November 2022.



Dr C E Baxter
Clerk to the Governors
For and behalf of the Board of Governors
25 November 2022

Independent Auditor's Report to the Board of Governors of Harper Adams University

Opinion

We have audited the financial statements of Harper Adams University (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2022, which comprise the Consolidated Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated and University Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent university's affairs as at 31 July 2022 and of the group's and the parent university's deficit, income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018; 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 group and the parent university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent university's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions

may cause the group and the parent university to cease to continue as a going concern.

In our evaluation of the Governing body's conclusions, we considered the inherent risks associated with the group's and the parent university's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Governing body and the related disclosures and analysed how those risks might affect the group's and the parent university's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent university'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.

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

The responsibilities of the Governing body with respect to going concern are described in the 'Responsibilities of the Governing body for the financial statements' section of this report.

Other information

The Governing body are responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 28, 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.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent university 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 in the Annual Report.

Opinion on other matters prescribed by the Office for Students ('OfS') accounts direction (issued October 2019)

In our opinion, in all material respects:

- funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England) and the Education & Skills Funding Agency have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

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

Responsibilities of Governing body for the financial statements

As explained more fully in the Statement of Financial Responsibilities of the Governing body set out on pages 18 to 19, the Governing body (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 Governing body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing body are responsible for assessing the group's and the 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 the Governing body either intend to liquidate the group or the parent university 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the university and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standards applicable in the UK and the Republic of

- Ireland (FRS 102), the Companies Act (2006), the Office for Students (OfS) framework, Terms and Conditions of Funding and Accounts Direction (October 2019), relevant OfS regulatory notices and advices, the Higher Education Code of Governance and the Information Commissioner's Office (ICO)'s regulations.
- We understood how the university is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
 - We assessed the susceptibility of the university's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
 - Challenging assumptions and judgements made by management in its significant accounting policies
 - Identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
 - Identifying and testing related party transactions
 - Inspecting the board and other committee minutes
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
 - Carrying out a program of work to assess the regularity of university expenditure
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
 - Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the Higher Education sector
 - understanding of the legal and regulatory requirements specific to the charitable company including:
 - the provisions of the applicable legislation
 - guidance issued by the OfS and other relevant bodies.
 - The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the university's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the university's control environment, including: the policies and procedures implemented by the charitable company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
 - o the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
 - o the adequacy of procedures for authorisation of transactions and review of management accounts
 - o procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

Use of our report

This report is made solely to the university'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 university's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the university and the university's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP
 William
Bill Devitt
Senior Statutory Auditor
 for and on behalf of Grant Thornton UK LLP
 Statutory Auditor, Chartered Accountants
 Birmingham
 [29] November 2022

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

Basis of Preparation

The Group and parent University 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 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Accounts Direction issued by the 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.

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 Chief Executive's Report which forms part of the Board of Governors' Report. The Strategic Review 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 Board of Governors consider to be appropriate for the following reasons:

The Board of Governors have considered cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Board of Governors is of the opinion that, taking account of several 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 University have assessed the impact of inflation of pay, utilities and other key areas of expenditure together with the risks to income assumptions including, student number reduction and growth targets in other areas not being achieved.

During the year all existing bank loans, £12m in total, were refinanced, with the University issuing £25m, 30-year loan notes, to a US based investor. The loan covenants agreed for this debt has simplified and improved the University position. The increased cash balances are held on deposit whilst campus-based capital projects are under consideration.

Consequently, the Board of Governors 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.

Consolidation

The consolidated financial statements include the financial statements of the University, its wholly owned subsidiary undertaking Cedar Energy Limited and the Harper Adams University Development Trust. The Harper Adams University Development Trust is treated as a subsidiary of the University on the grounds that the University has the power to exercise, or actually exercise, dominant influence or control over the undertaking.

Intra-group transactions are eliminated on consolidation. The financial statements of Harper Adams Students Union are not consolidated into the financial statements of the University, as the University has no control or significant influence over policy decisions of the Students Union.

The University owns the entire shares of two subsidiary companies "Cedar Energy Limited" and "Harper Adams (Rural Enterprises) Limited" (incorporated 27 July 2009). "Harper Adams Rural Enterprises Limited" has not traded since incorporation.

Material items

Material items are non-recurring material items which are outside the normal scope of the company's ordinary activities. Such items are disclosed separately within the financial statements.

Recognition of Income

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure 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 Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

Agency Arrangements

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

Capital Grants

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

Grant Funding

Government revenue grants including funding council block grant and research grants are recognised in 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.

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

Accounting for Charitable Donations

Donations and endowments transactions that do not have performance related conditions are classed as non-exchange transactions. Donations and endowments with donor-imposed restrictions are recognised as income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that the funds are utilised in accordance with the restrictive conditions, at which point the income is released to general reserves through a reserve transfer.

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

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

Accounting for Retirement Benefits

Retirement benefits to employees of the University are provided through three alternate schemes: a defined contribution group personal pension scheme provided by Scottish Widows, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The TPS and LGPS are defined benefit schemes, which are externally funded.

Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the

University, in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

For LGPS, as a defined benefit scheme, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University should recognise a liability for its obligations under defined benefit scheme net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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 including leave are identified and accrued as the additional amount the University expects to pay as a result of the unused entitlement at the end of the financial period.

Finance Leases

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

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

Operating Leases

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

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Tangible Fixed Assets

Tangible fixed assets are recorded at cost/deemed cost less depreciation. Certain items of fixed assets that had been revalued to fair value on the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and Buildings

All land and University buildings (with the exception of University residences and Farm buildings) that had been revalued to fair value on the date of transition to FRS102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives. The following rates are normally applied:

Freehold buildings 10 - 60 years

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Plant and equipment	3 - 35 years
Fixtures and fittings	5 - 10 years
Motor vehicles	5 years

Individual assets are reviewed for impairment in the event that there is some indication that impairment has occurred. Impairment values are calculated as the difference between the carrying value of the asset and its recoverable amount if lower. Recoverable amount is defined as the higher of fair value less costs to sell and the estimated value in use at the date the impairment review is undertaken. Material impairments are recognised in the profit and loss account as material items.

Borrowing costs which are directly attributable to the construction of a qualifying asset are capitalised.

Maintenance of Premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

Investments

Fixed and current asset investments are included in the balance sheet at their market value, with the exception of the investment in subsidiary attributable to Cedar Energy Limited which is included at cost.

Agriculture

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

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

Stocks

Commercial farming stocks are independently valued by Halls Auctioneers Limited of Shrewsbury, Shropshire at cost for growing crops, feedstuffs, sprays and fertilizers, and at a discounted market value at the year-end for the livestock held for resale.

Other stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Cash and Cash Equivalents

Cash includes cash in hand and deposits repayable on demand. 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.

Financial Instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial

instruments are subsequently measured at amortised cost, however the University has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Public Benefit Concessionary Loans

Where loans are made at below the prevailing market rate of interest, not repayable on demand and made for the purpose of furthering the objectives of the University they are classified as concessionary loans.

Concessionary loans are initially measured at the amount paid and adjusted at the period end to reflect any accrued income receivable. Should a loan be judged as irrecoverable it is written-off to the Statement of Comprehensive Income in the period in which it becomes irrecoverable.

Provisions and Contingent Liabilities

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

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

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

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

Taxation Status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature. The University's subsidiary company is subject to corporation tax.

Deferred Taxation

Deferred taxation is recognised on all timing differences at the balance sheet date where transactions or events that give the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have enacted or substantively enacted by the balance sheet date.

Reserves

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

Accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results. The areas most affected by the use of estimates and judgements are described below:

- **Tangible fixed assets**

Tangible fixed assets, other than investment properties and land, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- **Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 31 July 2022

	Notes	Year ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees	1	20,765	20,765	20,166	20,166
Funding council grants	2	11,855	11,855	9,932	9,932
Research grants and contracts	3	2,946	3,001	2,579	2,579
Other operating income	4	9,452	9,716	8,173	8,367
Investment income	5	16	16	12	13
Total income before endowments and donations		45,034	45,353	40,862	41,057
Donations and endowments	6	456	599	1,040	970
Total income		45,490	45,952	41,902	42,027
Expenditure					
Staff costs	7	26,209	26,209	25,336	25,336
Depreciation and Amortisation		4,137	3,930	4,087	3,884
Other operating expenses	8	13,781	14,309	11,337	11,900
Interest and other finance costs	9	1,113	1,113	957	957
Loan repayment break costs	9	1,085	1,085	-	-
Total expenditure		46,325	46,646	41,717	42,077
(Deficit) / Surplus before other gains and losses		(835)	(694)	185	(50)
Gain on disposal of fixed assets	11	36	36	8	8
Gain on investments	12	22	22	144	144
(Deficit) / Surplus before taxation		(777)	(636)	337	102
Taxation (charge) / credit	10	(22)	(13)	(496)	(429)
(Deficit) for the year		(799)	(649)	(159)	(327)
Actuarial gain in respect of pension schemes	25	21,071	21,071	1,322	1,322
Total comprehensive income and expenditure for the year		20,272	20,422	1,163	995
Represented by:					
Restricted endowment income for the year		(89)	(89)	141	141
Restricted comprehensive income for the year		(41)	24	55	(165)
Unrestricted comprehensive income for the year		20,402	20,487	967	1,019
		20,272	20,422	1,163	995

All items of income and expenditure relate to continuing activities

The accompanying accounting policies and notes form part of these financial statements

Consolidated and University Statement of Changes in Reserves
Year ended 31 July 2022

Consolidated	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2020	1,031	469	45,409	46,909
Surplus / (Deficit) from the income and expenditure statement	202	55	(355)	(98)
Other comprehensive income	-	-	1,322	1,322
Release of restricted funds spent in year	(61)	-	-	(61)
Total comprehensive income and expenditure for the year	141	55	967	1,163
Balance at 1 August 2021	1,172	524	46,376	48,072
Surplus / (Deficit) from the income and expenditure statement	(89)	(41)	(669)	(799)
Other comprehensive income / (expenditure)	-	-	21,071	21,071
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income and expenditure for the year	(89)	(41)	20,402	20,272
Balance at 31 July 2022	1,083	483	66,778	68,344


University	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2020	1,031	384	43,915	45,330
Surplus from the income and expenditure statement	202	(165)	(303)	(266)
Other comprehensive income	-	-	1,322	1,322
Release of restricted funds spent in year	(61)	-	-	(61)
Total comprehensive income and expenditure for the year	141	(165)	1,019	995
Balance at 1 August 2021	1,172	219	44,934	46,325
Surplus from the income and expenditure statement	(89)	24	(584)	(649)
Other comprehensive income / (expenditure)	-	-	21,071	21,071
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income and expenditure for the year	(89)	24	20,487	20,422
Balance at 31 July 2022	1,083	243	65,421	66,747

Consolidated and University Balance Sheet
Year ended 31 July 2022

		Year ended 31 July 2022		Year ended 31 July 2021	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible assets	11	88,985	85,216	90,885	87,162
Investments	12	1,109	1,953	1,087	1,932
Biological Assets	13	539	539	595	595
Debtors	15	-	1,285	-	1,240
		90,633	88,993	92,567	90,929
Current assets					
Stock	14	1,044	1,044	863	862
Trade and other receivables	15	4,117	4,387	3,591	3,736
Investments	12	5,987	5,987	2,849	2,849
Cash and cash equivalents		26,535	26,106	13,501	12,997
		37,683	37,524	20,804	20,444
Creditors - amounts falling due within one year	16	(7,761)	(7,700)	(10,039)	(9,911)
Net current assets		29,922	29,824	10,765	10,533
Total assets less current liabilities		120,555	118,817	103,332	101,463
Creditors – amounts falling due after more than one year	17	(37,378)	(37,378)	(21,917)	(21,867)
Provisions					
Pensions provisions	25	(13,934)	(13,934)	(32,505)	(32,505)
Other provisions	18	(899)	(758)	(838)	(765)
Total net assets		68,344	66,747	48,072	46,325
Restricted reserves					
Income and expenditure reserve – restricted reserve	19	483	243	524	219
Endowment – restricted reserve	19	1,083	1,083	1,172	1,172
Unrestricted reserves					
Income and expenditure reserve - unrestricted		66,778	65,421	46,376	44,934
Total reserves		68,344	66,747	48,072	46,325

The financial statements on pages 31 to 53 were approved by the Board of Governors on 25 November 2022 and signed on its behalf by:


Chair of Governors


Vice Chancellor


Chief Financial Officer

The accompanying accounting policies and notes form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 July 2022

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flow from operating activities			
(Deficit) / Surplus for the year		(799)	(159)
Adjustment for non-cash items			
Depreciation		4,137	4,087
Loss / (Gain) on investments		(22)	(144)
Decrease / (Increase) in stock and biological assets		(125)	114
(Increase) / Decrease in debtors		(526)	(222)
Increase / (Decrease) in creditors		629	60
Increase in pension provision	25	2,500	2,433
Increase in other provisions	18	61	176
Capital grant income		(815)	(399)
		5,839	6,105
Adjustment for investing or financing activities			
Endowment Income		-	-
Interest payable	9	560	420
Loan repayment break costs		1,085	-
Profit on the sale of fixed assets		(36)	(8)
Investment income	5	-	-
		1,609	412
Net cash inflow from operating activities		6,649	6,358
Cash flows from investing activities			
Proceeds from sales of fixed assets		36	8
Capital grant receipts		607	978
Investment income	5 / 12	22	12
Payments made to acquire fixed assets		(2,364)	(3,275)
New non-current asset investments (treasury term deposits)		(3,227)	-
		(4,926)	(2,277)
Cash flows from financing activities			
Interest paid		(560)	(420)
Loan repayment break costs		(1,085)	-
New unsecured loans		25,000	2,000
Repayments of amounts borrowed		(12,044)	(908)
Capital element of finance lease		-	-
Capital element of donations released		-	(1,050)
Endowment cash received		-	-
		11,311	(378)
Increase / (Decrease) in cash and cash equivalents in the year		13,034	3,703
Cash and cash equivalents at beginning of the year		13,501	9,798
Cash and cash equivalents at end of the year		26,535	13,501

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Financial Statements

1. Tuition fees

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full time students – home/EU	17,832	17,832	17,301	17,301
Full time students charged overseas fees	1,352	1,352	1,543	1,543
Part time fees	658	658	439	439
Short course fees	579	579	552	552
Other fees	344	344	331	331
	20,765	20,765	20,166	20,166

2. Funding body grants

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant (OFS)	9,241	9,241	8,193	8,193
Release of deferred capital grant (OFS)	515	515	272	272
Research grant (Research England)	1,217	1,217	595	595
Higher Education Innovation Fund	505	505	468	468
Education and Skills Funding Agency	377	377	232	232
Hardship Funding (OFS)	-	-	171	171
	11,855	11,855	9,932	9,932

Details of Grant and Fee Income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grant Income from the OfS	10,270	10,270	8,473	8,473
Grant Income from other bodies	1,585	1,585	1,466	1,466
Fee income for taught awards (excl. VAT)	20,699	20,699	20,093	20,093
Fee income for research awards (excl. VAT)	66	66	66	66
	32,620	32,620	30,098	30,098

3. Research grants and contracts

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants and contracts	2,946	3,001	2,579	2,579

4. Other operating income

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Catering and residence	4,240	4,240	2,814	2,814
Conferences and short course accommodation	523	523	164	164
Consultancy	30	30	24	24
Farm	2,813	2,823	2,532	2,542
Other income	1,268	1,522	2,065	2,249
Crop Trials income	213	213	212	212
Validation fees	365	365	362	362
	9,452	9,716	8,173	8,367

5. Investment income	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank interest	16	16	12	12
Other investment income	-	-	-	1
Development Trust Interest	-	-	-	-
	16	16	12	13

6. Donations and endowments	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Permanent Restricted Endowments	(89)	(89)	141	141
Other donations with restrictions	545	575	898	828
Other donations without restrictions	-	113	1	-
	456	599	1,040	970

7. Staff costs	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs:				
Salaries	18,822	18,822	18,356	18,356
Social security costs	1,906	1,906	1,793	1,793
Other pension costs	5,481	5,481	5,187	5,187
Total	26,209	26,209	25,336	25,336

During the year severance costs of £21,505 were paid (2021: £311,088) in relation to 5 individuals (2021: 18 individuals). These costs are included within the salaries figures above.

	Period 1 Nov 2021 to 31 July 2022	Period 1 Aug 2021 to 31 Oct 2021	Year ended 31 July 2021
	Consolidated & University (VC) £'000	Consolidated & University (Interim VC) £'000	Consolidated & University (Retired VC) £'000
Emoluments of the Vice-Chancellor (VC) and Interim Vice-Chancellor			
Salary	173	45	182
Payments in lieu of accrued holiday at retirement	-	-	14
Benefits	1	-	6
Accommodation	-	-	3
Employer's pension contributions	21	10	-
Payments in lieu of pension contributions	-	-	21
	195	55	226

Following the retirement of Dr D G Llewellyn as Vice Chancellor on 31 July 2021, the University's Deputy Vice Chancellor acted as interim Vice Chancellor for the first quarter of the year with the new Vice Chancellor taking up his post on 1 November 2021. Prior to the appointment the Board resolved that University-provided accommodation would not be provided to a new Vice-Chancellor.

At the time of appointment, Professor Sloan opted to rent a property from the University. Rent for this property is set by an external market rent assessor. Rent payments for this property are paid to the University by Professor Sloan from post-tax income.

The Interim Vice-Chancellor's basic salary is 4.81 (2021: 5.00) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by Harper Adams University to its staff. The total remuneration is 4.20 (2021: 4.79) times the median total remuneration of staff, where the median total remuneration including employer pension contributions is calculated on a full-time equivalent basis for the total remuneration by Harper Adams University to its staff.

The incoming Vice-Chancellor's basic salary is 6.51 (2021: 5.00) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by Harper Adams University to its staff. The total remuneration is 5.68 (2021: 4.79) times the median total remuneration of staff, where the median total remuneration including employer pension contributions is calculated on a full-time equivalent basis for the total remuneration by Harper Adams University to its staff.

Benefits

Benefits relate to private health insurance paid for by the University on behalf of the Vice-Chancellor.

Non-taxable Accommodation

The prior year non-taxable benefit was the market rental of the agreed share, 37%, of a campus property which ceased at 31st March 2021. The property was then let on an arm's length basis to the Vice-Chancellor for the remainder of the year up to the cessation of his employment with the University on 31st July 2021. The incoming Vice-Chancellor lets the property on an arm's length commercial basis as stated above.

The total market rental rate from a professional third-party valuation was £12,000 per annum for the prior year ending 31st July 2021, therefore the deemed non-taxable benefit to the previous Vice-Chancellor equated to 8 months, for the period August 2020 to March 2021 calculated at £2,960.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Total staff costs including pension paid to the senior management team (including the Vice-Chancellor, comprising of 6 members (2021: 6 members)).

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Key management personnel emoluments	867	947

Remuneration of higher paid staff (including the Vice-Chancellor) based on the individuals full time equivalent (FTE) position, excluding employer's pension:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
	No.	No.	No.	No.
£100,000 to £104,999	1	1	1	1
£105,000 to £109,999	-	-	1	1
£110,000 to £114,999	1	1	-	-
£125,000 to £129,999	1	1	-	-
£225,000 to £229,999	-	-	1	1
£230,000 to £234,999	1	1	-	-

The following tables summarise the staff headcount firstly by the full time equivalent (FTE) contract values, which is required under statutory reporting obligations for HESA and secondly by the actual count of individuals included on the payroll, in line with the Companies Act reporting requirements.

HESA (Average FTE)

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated No.	University No.	Consolidated No.	University No.
Average staff numbers by major category per HESA:				
Academic	174	174	167	167
Administration and Support	134	134	129	129
Management & Specialist	33	33	35	35
Other	100	100	98	98
Research	13	13	16	16
Technical	34	34	38	38
	488	488	483	483

Companies Act (Average Count)

Average staff numbers by major category per Co Act:	Consolidated No.	University No.	Consolidated No.	University No.
Academic	228	228	230	230
Administration and Support	155	155	140	140
Management & Specialist	40	40	31	31
Other	125	125	131	131
Research	16	16	19	19
Technical	42	42	41	41
	606	606	592	592

Justification for Head of Institution Salary

The University is a small specialist HEI which has a well-established national and international reputation for the high quality of its teaching, knowledge transfer and applied research. The University is recognised by the industries with which it works as playing an important leadership role in providing high quality graduates and applied research that is of value to food production, animal health and welfare, engineering and the management of rural land as well as the wider natural environment. Our work contributes to and promotes planetary health, animal health and wellbeing, and ultimately how this flows to human health. We are passionate about what we do, and are committed to making a difference.

The University's charitable objects are: the provision, conduct and development of the University to provide higher education for the industries, professions and communities associated with rural land. Details of the public benefits delivered by the University can be found elsewhere in the Annual Report and Financial Statements.

The Board of Governors has established a Remuneration Committee which operates in accordance with the CUC HE Senior Staff Remuneration Code published in June 2018 and revised in November 2021. The Board has approved a Remuneration Policy Statement (published at <https://www.harper-adams.ac.uk/general/governance/publication-scheme.cfm> (Section 4 - How we make decisions) which describes the principles by which the remuneration of all senior staff, including the Vice-Chancellor as the head of the provider, will be set. The Policy also describes the Senior Staff Review process by which the annual review of performance of the Vice-Chancellor is evaluated by the Chair and Vice-Chair of the Board and reported to the Remuneration Committee and thereafter to the Board. Feedback from independent members on the performance of all senior staff is also sought by the Chair and fed into the Remuneration Committee's deliberations. In accordance with the CUC Code, the Vice-Chair of the Board chairs the Committee's discussion of the Vice-Chancellor's performance and remuneration. The Committee reports on its work to the Board and conducts its work in accordance with the Board's framework for setting senior staff pay. The Board has agreed that the Committee will provide an Annual Report on its work that meets the CUC's guidance on Remuneration Committee Reporting. The Annual Report, once accepted by the Board, is published on the University's web pages at Section 4 of its publication scheme as noted above. The Minutes of the Remuneration Committee are also published in Section 4 of the scheme.

The Board has recognised that principles of equality, diversity and inclusion and the importance of recruiting and retaining senior staff with the necessary skills and expertise to deliver the University's strategic plan sustainably and within budgetary limits are critical to ensure the University meets its charitable objects. The Chairman of Governors and two other Independent Governors conduct an annual review of the Vice-Chancellor's performance against objectives. The latter are reported to the Board by the Chair at least annually. All Independent Board members are invited to comment on the performance of the Vice-Chancellor and Senior Staff as part of the annual review process. Members' comments feed into the deliberations of Remuneration Committee.

When reviewing remuneration annually, an assessment is made of individual performance against agreed objectives alongside Institutional performance and benchmarking data (including market factors and independently collated data for comparative institutions provided in the UCEA Survey of Senior Staff Pay). The principles that underpin the Policy take into account the value of the role, assessed by level of responsibility, size and complexity, specific expertise and experience required and any other key components relevant to a specific senior role. The Committee may determine and report to the Board its decisions on pay awards across the senior team within an envelope of 5% of the current senior team basic pay bill in addition to any national pay award negotiated by UCEA. The Board has determined that any recommendation for pay awards for the senior team which together exceed the agreed envelope will be subject to approval by the full Board including staff and student members. Further details can be found in the Policy Statement.

When setting senior staff pay for 2022/23, the Board agreed with the Remuneration Committee's view that the Vice-Chancellor, having taken up post in November 2021, had already made significant contributions to the leadership of the University and the formation of plans to take the institution forward, notwithstanding the fact that he had not yet been in post for one full year. In particular the

Remuneration Committee and Board agreed that the Vice-Chancellor's performance against the agreed initial objectives had been excellent demonstrating the establishment of credible, productive and supportive relationships with the senior team, launching programmes of engagement across the University community, providing sound leadership of University resources and leading the development of a refreshed University Strategy. In addition, ambassadorial activities had seen significant investment by the Vice-Chancellor over the period. Against a backdrop of change and the disruption of Covid-19, the Remuneration Committee and Board agreed that the Vice-Chancellor had established a strong and secure leadership presence providing confidence to the staff and student community and the Board.

The initial objectives set for the Vice-Chancellor for the period from November 2021 to July 2022 included: To establish oneself in role and to identify priorities to be addressed in the immediate, medium and long term: To establish credible, productive and supportive relationships with members of the senior team and establish an appropriate approach to delegation and decision making: To influence the work and behaviours of the senior team to contribute to the delivery of institutional outcomes: To launch and develop a programme of engagement and visibility across the University, (staff, students, alumni and partners), to position the Vice-Chancellor as an engaged, accessible and visible leader of the University community: To build positive and open relationships with the Students' Union and to provide appropriate advice and support to contribute to them to be successful: To identify key contacts within the rural, agricultural, regional and national policy, higher education, and international domains and to begin a programme of engagements to raise the profile of the University and build the Vice-Chancellor's individual professional profile: To provide sound leadership of the University's human, physical, information and financial resources, and to ensure that incidents that arise with each are managed and resolved professionally, and on a timely basis: To build and maintain strong and effective relationships with the Chair of the Board, the Vice-Chair and the wider Governing Body and to develop a programme of appropriate engagement to develop those relationships: To begin mapping the outcomes and objectives of a refreshed University Strategy and to plan a programme of engagement and consultation to devise it and seek its approval: To identify early opportunities to strengthen and develop the academic, research, student experience, staff experience and employability outcomes of the University and to progress those developments through appropriate decision making bodies as appropriate: To ensure that the objectives and outcomes of the University's annual and financial plans are delivered and any variations are quantified and explained: To be a positive ambassador for the University and to demonstrate the University's desired values: To demonstrate the flexibility and agility needed to anticipate and address issues that arise and to bring them to a satisfactory conclusion.

Institutional achievements are set out in the institutional Monitoring Statement agreed annually by the Board and published at <https://www.harper-adams.ac.uk/general/governance/publication-scheme.cfm> (Section 3 - What our priorities are and how we are doing). Key institutional achievements during 2021/22 included: achieving the top Post-92 university for the sixth year in a row, in the Sunday Times Good University Guide; in the most recent National Student Survey, we were ranked fifth of all UK universities for overall student satisfaction of full-time students; thanks to feedback from our own students, the Whatuni Student Choice Awards (The WUSCA's) has awarded us the best university in the country for career prospects every year since 2016, and the Complete University Guide placed us at 29th best university in the UK, once again the top ranked modern university in that ranking. The Research Excellence Framework confirmed that 60% of our research is of world or international standing. The Vice-Chancellor's expertise and experience in higher education across a number of institutions within and outside of the UK, together with his effective leadership skills were recognised by the Board as key strengths. While judging progress against initial objectives and overall performance of the Vice-Chancellor as excellent, the Board in July 2022 noted that due to the fact that the Vice-Chancellor had not yet been in post for a full year and given that the University Strategy would be refreshed before annual objectives would be set, no individual pay award would be made for implementation in 2022/23.

For 2021/22, the Board noted that the Vice-Chancellor had been a member of the University defined contribution pension scheme.

The details of the Vice-Chancellor's salary over the period 2021/22 are set out in the tables above.

The Board was satisfied that the remuneration package for the Vice-Chancellor during 2021/22 had been appropriate in light of the benchmarking salary data for the sector and the above context, value and performance demonstrated during the year ended 31 July 2022.

Members of the Board of Governors

The University Board of Governors members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of Board may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures:

Harper Adams in Ireland is an alumni association for former Harper Adams students in Ireland and Mr Joe Lawson is a trustee of both Harper Adams in Ireland and Harper Adams University Development Trust. Harper Adams Club is the alumni association for former Harper Adams students and Mr Simon Jones is a trustee of both Harper Adams Club and Harper Adams University Development Trust. During the year payments totalling £2,842 (2021: £3,294) were made to Harper Adams in Ireland and payments totalling £6,540 (2021: £7,130) to Harper Adams Club.

No Board member has received any remuneration/waived payments from the group during the year (2021: none)

The total expenses paid to or on behalf of 12 Board members was £1,953 (2021: £173). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and Charity events in their official capacity.

8. Other operating expenses

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	2,784	2,784	1,352	1,352
Administration and central services	479	479	846	846
Library, computer and other academic support services	2,974	3,455	2,739	3,453
Premises - Other premises costs	1,587	1,587	1,176	1,173
Premises - Refurbishment and maintenance	222	222	199	199
Premises - Utility Costs	1,011	1,636	797	1,483
Research grants and contracts	1,195	1,195	916	916
Residences and catering operations	458	458	345	345
Other including income generating operations	2,586	2,493	2,249	2,133
Development Trust scholarship expenditure and audit fee	485	-	718	-
	13,781	14,309	11,337	11,900

Other operating expenses include:

Audit of these financial statements	43	35	43	35
Amounts receivable by the company's auditor in respect of:				
- Audit of financial statements of subsidiaries of the company	8	-	8	-
- Audit related assurance services	13	13	9	9
- Taxation compliance services	6	6	22	11
Internal auditors' remuneration	32	32	32	32

Operating lease rentals:

Plant and machinery	-	-	37	37
---------------------	---	---	----	----

9. Interest and other finance costs

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
On bank loans:				
Exceptional break costs paid during the year	1,085	1,085	-	-
Repaid during the year	169	169	-	-
Repayable wholly or partly in 2 - 5 years	-	-	63	63
Repayable wholly or partly in more than 5 years	-	-	356	356
On other items and financing:				
£25m Note Purchase agreement repayable wholly in 2051	389	389	-	-
Other interest costs	3	3	-	-
Pension finance charge	552	552	538	538
Total payable	2,198	2,198	957	957

10. Taxation

The UK corporation tax charge (credit) is in respect of the University's subsidiary company Cedar Energy. The tax provision charged in the University recognises the tax risk arising from overseas activities which are under negotiation with the relevant authorities.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
UK corporation tax (credit) / charge of 19.0% (2020: 19.0% on surplus for the year)	-	-	-	-
Tax Provision	-	-	-	-
Adjustments to UK Corporation tax in respect of prior periods	-	-	4	-
Deferred tax provision	9	-	59	-
Tax on Profit/(Loss) on ordinary activities	9	-	63	-

The tax assessed for the year differs from the standard rate of corporation tax in the UK as follows:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Loss) / Profit on ordinary activities before taxation	(777)	(636)	405	170
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	(10)	-	31	-
Fixed asset differences	(1)	-	30	-
Expenses not deductible for tax purposes	22	-	-	-
Income not chargeable for tax purposes	-	-	-	-
Losses carried back	-	-	-	-
Chargeable gains / (losses)	-	-	-	-
Deferred tax not recognised	2	-	32	-
Adjustments to tax charge in respect of previous periods	(4)	-	(8)	-
Capital allowances in excess of depreciation	-	-	-	-
Other short-term timing differences	-	-	-	-
Unrelieved tax losses & other deductions arising in the period	-	-	-	-
Impact of rate change	-	-	-	-
Adjustments for charitable activities not subject to corporation tax	-	-	(22)	-
UK corporation tax (credit) / charge	9	-	63	-

11. Consolidated Fixed assets

	Freehold Property £'000	Plant and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2021	100,559	34,184	-	134,743
Transfer	-	-	-	-
Additions	91	2,132	152	2,375
Impairment	-	(13,084)	-	(13,084)
Disposals	-	(188)	-	(188)
At 31 July 2022	100,650	23,044	152	123,846
Accumulated depreciation				
At 1 August 2021	19,581	24,276	-	43,857
Transfer	-	-	-	-
Charge for the year	2,808	1,329	-	4,137
Impairment	(1)	(13,084)	-	(13,085)
Disposals	-	(48)	-	(48)
At 31 July 2022	22,388	12,473	-	34,861
Net book value				
At 31 July 2021	80,977	9,908	-	90,885
At 31 July 2022	78,262	10,571	152	88,985
Financed by capital grant	17,029	3,429	-	20,458
Other	61,233	7,142	152	68,527
Net book value at 31 July 2022	78,262	10,571	152	88,985

Asset impairment has been calculated consistently with the principles of section 17 of FRS102. During the year a number of assets that had reached the end of their useful economic life and were being held at a nil net book value, were disposed to ensure the records reflect a true and fair view.

Land and certain buildings in the University were re-valued on a fair value basis by an independent Chartered Surveyor as at 31 July 2014. As a first-time adopter of FRS102 the University has used that fair value as its deemed cost at 1 August 2014 in accordance with FRS102 paragraph 35.10(c).

Following a review of historic fixed asset valuation information, there has been a prior period adjustment of opening asset disclosures and depreciation charges between the relevant category headings, where previous allocations were inconsistent with the application of the University's accounting policy for depreciation of plant and equipment. The result is a net nil impact on the financial statements but more accurately reflects the actual position.

Included within freehold property is land costing £22,652,480 (2021: £22,652,480) which is not depreciated.

11. University fixed assets

	Freehold Property	Plant and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 August 2021	100,564	29,781	-	130,345
Transfer	-	-	-	-
Additions	91	2,032	-	2,123
Impairment	-	(13,084)	-	(13,084)
Disposals	-	(188)	-	(188)
At 31 July 2022	100,655	18,541	-	119,196
Accumulated depreciation				
At 1 August 2021	19,581	23,602	-	43,183
Transfer	-	-	-	-
Charge for the year	2,808	1,122	-	3,930
Impairment	(1)	(13,084)	-	(13,085)
Disposals	-	(48)	-	(48)
At 31 July 2022	22,388	11,592	-	33,980
Net book value				
At 31 July 2021	80,983	6,179	-	87,162
At 31 July 2022	78,267	6,949	-	85,216
Financed by capital grant	17,029	3,429	-	20,458
Other	61,238	3,520	-	64,758
Net book value at 31 July 2022	78,267	6,949	-	85,216

12. Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Long term asset investments				
Investment in subsidiary company	-	1,000	-	1,000
Quoted securities at market value	1,109	954	1,087	932
Unquoted securities at cost	-	-	-	-
	1,109	1,954	1,087	1,932
Current asset investments				
Short term cash deposits	5,000	5,000	1,773	1,773
Restricted endowment funds	987	987	1,137	1,137
Total investments	7,096	7,941	3,997	4,842
Restricted endowment funds				
UK and Overseas Bonds	136	136	166	166
UK and Overseas Equities	707	707	799	799
Property and Other Funds	151	151	137	137
Cash and cash equivalents	54	54	35	35
	1,048	1,048	1,137	1,137

The University investment in the subsidiary company, Cedar Energy Limited (incorporated in England and Wales) of £1,000,000 comprises 500,000 ordinary £1 shares at par and 500,000 £1 preference shares at par.

13. Biological Assets

The University's farming operations include dairy cattle, which are classified as biological assets under Long Term Assets in the statement of financial position and are stated at fair value less costs to sell. Changes in fair value less costs to sell are recognised in the statement of comprehensive income. The value of the Dairy cattle classified as biological assets at the reporting date was £539k (2021: £595k).

14. Stock

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Farm stocks	959	959	793	793
Consumables	55	55	51	50
Goods for resale	30	30	19	19
	1,044	1,044	863	862

15. Trade and other receivables

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	868	868	925	925
Subsidiary company	-	322	-	255
Other trade receivables	1,898	1,889	1,301	1,300
Prepayments and accrued income	1,281	1,248	1,298	1,201
Other receivables	70	60	67	55
	4,117	4,387	3,591	3,736
Amounts falling due after one year:				
Subsidiary company	-	1,285	-	1,240
	4,117	5,672	3,591	4,976

Harper Adams University has extended a public benefit entity concessionary loan to Cedar Energy Limited of £780k (2020: £1.02m) payable by October 2023. As at July 2021 £540,000 falls due after one year.

16. Creditors: amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank loans	-	-	3,153	3,153
OFS loans	240	240	240	240
Other loans	50	-	50	-
Subsidiary company	-	21	-	10
Deferred income	3,152	3,152	3,115	3,115
Taxation and social security	487	487	81	18
Sundry creditors and accrued expenses	3,832	3,800	3,400	3,375
	7,761	7,700	10,039	9,911
Deferred income				
Research grants received on account	1,390	1,390	1,390	1,390
Grant income	662	662	378	378
Other income	1,100	1,100	1,347	1,347
	3,152	3,152	3,115	3,115

17. Creditors: amounts falling due after one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	12,318	12,318	12,810	12,810
Loans:				
Bank loans	-	-	8,757	8,757
OFS loans	60	60	300	300
Other loans	25,000	25,000	50	-
Total creditors due after one year	37,378	37,378	21,917	21,867

Borrowings:

Bank loans repayable as follows:

In one year or less	-	-	3,194	3,194
Between one and five years	-	-	5,273	5,273
In five years or more	-	-	3,443	3,443
	-	-	11,910	11,910

Bank loans and borrowings were repaid during the year upon the completion of a £25m note purchase agreement for 30 years at a rate of 2.39% with Pacific Life Insurance Company. Break costs for the previous loans were incurred at a value of £1.09m for early settlement. In addition, the 2-year revolving credit facility previously held was repaid in full and not converted in to a loan.

OFS loans repayable as follows:

In one year or less	240	240	240	240
Between one and five years	60	60	300	300
In five years or more	-	-	-	-
	300	300	540	540

Other loans repayable as follows:

In one year or less	50	-	50	-
Between one and five years	-	-	50	-
In five years or more	25,000	25,000	-	-
	25,050	25,000	100	-

Quarterly repayments of £60k with respect to a loan of £2,400k for green energy schemes commenced in 2011/12 over a 10-year repayment period. A 2-year repayment break was agreed with the funding council in 2014 and quarterly re-payments recommenced in the 2016/17 financial year extending the loan repayment to 2022/23 financial year.

18. Provision for liabilities

	Year ended 31 July 2022			Year ended 31 July 2021		
	Deferred Tax	Other Provision	Total	Deferred Tax	Other Provision	Total
	£000	£000	£000	£000	£000	£000
Consolidated						
As at 1 August 2021	72	766	838	72	589	661
Charge in the year	68	-	68	-	177	177
Released to the SOCI	-	(7)	(7)	-	-	-
As at 31 July 2022	140	759	899	72	766	838
University						
As at 1 August 2021	-	765	765	-	589	589
Charge in the year	-	-	-	-	176	176
Released to the SOCI	-	(7)	(7)	-	-	-
As at 31 July 2022	-	758	758	-	765	765

Other Provision

Included within provisions, where the University undertakes teaching overseas there are jurisdictions where the authorities consider taxation to be due. The University has engaged professional advisors to liaise with these authorities. A provision of £682k (2021 £690k), as an estimate of these liabilities which are subject to negotiation.

Deferred Tax

The deferred tax provision is in relation to the following:

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Capital gain on disposal	140	72

No deferred tax asset has been recognised on the remaining losses due to uncertainty regarding their crystallisation in the foreseeable future.

19. Endowment and Restricted reserves

Reserves with restrictions are as follows:

Consolidated	Donations £'000	Endowments £'000	Year Ended 2022 Total £'000	Year Ended 2021 Total £'000
Balances at 1 August 2021				
Scholarships and bursaries	524	-	524	469
Capital	-	1,025	1,025	1,025
Accumulated Income	-	147	147	6
	524	1,172	1,696	1,500
New endowments	-	-	-	-
Investment income	-	-	-	61
New donations	431	-	431	793
(Decrease) / Increase in market value of investments	-	(89)	(89)	141
Expenditure	(472)	-	(472)	(799)
As at 31 July 2022	483	1,083	1,566	1,696
Analysis of other restricted funds/donations by type or purpose:			2022 Total £'000	2021 Total £'000
Scholarships and bursaries	483	-	483	524
Capital	-	1,025	1,025	1,025
Accumulated Income	-	58	58	147
	483	1,083	1,566	1,696

University	Donations	Endowments	Year Ended	Year Ended
			2022	2020
	£'000	£'000	Total £'000	Total £'000
Balances at 1 August 2021				
Scholarships and bursaries	219	-	219	384
Capital	-	1,025	1,025	1,025
Accumulated Income	-	147	147	6
	219	1,172	1,391	1,415
New endowments	-	-	-	-
Investment income	-	-	-	61
New donations	63	-	63	-
(Decrease) / Increase in market value of investments	-	(89)	(89)	141
Expenditure	(39)	-	(39)	(226)
	243	1,083	1,326	1,391
As at 31 July 2022				
Analysis of other restricted funds/donations by type or purpose:				
	Donations	Endowments	Year Ended	Year Ended
	£'000	£'000	2022 Total £'000	2021 Total £'000
Scholarships and bursaries	243	-	243	219
Endowment Funding Capital	-	1,025	1,025	1,172
Accumulated Income	-	58	58	-
	243	1,083	1,326	1,391

20. Capital and other commitments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Capital commitments				
At 31 July 2022, the following amounts had been authorised: Authorised and contracted for	-	-	-	-
Operating leases				
As at 31 July 2022, Harper Adams University had minimum future lease payments under operating leases expiring between one and five years:				
Plant and machinery	-	-	33	33

21. Post balance sheet event

There are no post balance sheet events to report.

22. Contingent liabilities

On 3 October 2014, the University entered into a Development Agreement with Dairy Crest Limited where the company agreed to develop a Research and Innovation centre on the University's campus. On 15 April 2019 Saputo acquired Dairy Crest, the partnership is contracted for 25 years; however, Saputo have the right to break at 15 years.

In the event of the break clause being exercised, the University will be committed to purchase the building at the written down value of c.£1.25m.

23. Related party transactions

The University has a number of related parties where governors and senior staff members sit on boards and panels to assist as necessary based on the respective objectives of the organisation, all transactions with these related organisations are conducted on an arm's length basis.

Harper Adams University is a member of the Agri-EPI Centre Limited, a company limited by guarantee. Liz Furey, Harper Adams University Chief Financial Officer, is the university's nominated board director. During the year the University incurred costs of £7.9k (2021 £34.5k) on behalf of Agri-EPI Centre Limited for whom the university is acting as agent. The University received income of £111k (2021 £88k) from Agri-EPI Centre Limited by way of reimbursement of costs incurred on its behalf and providing services through service level agreements. At the balance sheet date, Harper Adams University was owed £nil (2021 £2k) and owed Agri-EPI Centre £3k (2021 £3k).

The Harper Adams University Students' Union is an independent constituted body and, therefore, is not included in the Consolidated Financial Statements of the University. During the financial year the University made payments to the Students' Union of £104k (2021 £133.5k) and received £16k (2021 £5k). At the balance sheet date, Harper Adams University was owed £16k (2021 £13k) and owed the Students' Union £16k (2021 £nil).

Harper Adams University is a member of CIEL Livestock Limited, a company limited by guarantee. During the year the University made payments to CIEL Livestock of £2k (2021 £nil) and received £nil (2021 £nil). At the balance sheet date, Harper Adams University was owed £nil (2021 £nil).

Harper Adams University works closely with Keele University. Professor Mark Ormerod, Harper Adams University Governor, is also Deputy Vice-Chancellor at Keele University. During the year the University made payments to Keele University of £909k (2021 £394k) and received £387k (2021 £106k). At the balance sheet date, Harper Adams University was owed £77k (2021 £nil) and owed Keele University £67k (2021 £30k).

Ken Greetham, Harper Adams University Governor, is also a Board Member of The James Hutton Institute. During the year the University made payments to The James Hutton Institute of £88 (2021 £nil) and received £13k (2021 £nil). At the balance sheet date, Harper Adams University was owed £nil (2021 £nil) and owed The James Hutton Institute £nil (2021 £nil).

The University has taken advantage of the exemption in FRS102; Section 33 of FRS 102 that transactions with wholly-owned subsidiary companies are not disclosed.

24. Subsidiary undertakings

The subsidiary companies (all of which are registered in England and Wales), wholly owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status
Cedar Energy Limited	Production of electricity and heat	100% owned
Harper Adams (Rural Enterprises)	Dormant	100% owned
Harper Adams University Development Trust	Provide support for students in the agricultural sector	Controlled undertaking

Cedar Energy Limited's trading results are consolidated with the Harper Adams University accounts on the income and expenditure and balance sheet respectively. The principal activity of Cedar Energy Limited is to produce electricity and heat.

Harper Adams University Development Trust is a separately registered charity in the UK. The primary purpose of the charity is to raise funds to benefit the University and its students. This Trust is treated as a quasi-subsubsidiary of the University on the grounds that the University has the potential to exercise power or dominant influence over the funds.

25. Pension schemes

The three principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), available to all teaching staff, the Harper Adams University Group Personal Pension, provided by Scottish Widows, available to all non-teaching staff, and the Local Government Pension Scheme (LGPS), operated as Shropshire County Council Pension Fund (SCCPF), for existing members. The TPS and LGPS are both defined benefit schemes. The Scottish Widows scheme is a defined contribution scheme.

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Total employer pension contributions for the year		
Local Government Pension Scheme	1,346	1,465
Teachers' Pension Scheme	1,693	1,742
Scottish Widows	210	41
	3,249	3,248

(i) Local Government Pension Scheme

Membership of the Local Government Pension Scheme (LGPS) operated as the Shropshire County Council Pension Fund is available to eligible non-teaching staff. The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 July 2022 was £1,839,848 of which employer's contributions totalled £1,346,092 and employees' contributions totalled £493,756.

As from April 2020, the agreed contribution rates are 16.3% for employers plus a monthly sum (£10,633 as from April 2020, £11,050 as from April 2021) and a variable percentage between 5.5% and 12.5% for employees.

On 26 October 2019, the High Court handed down the McCloud 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, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes. No provision has been calculated by the actuary for this financial year (2021: £nil) relating to the estimate of historic liabilities.

Assumptions

In accordance with the requirements of FRS102 and the HEFE SORP, the Fund Actuary was instructed to complete a full valuation of the University's element of the fund as at 31 July 2022, with comparative figures at 31 July 2021.

The financial assumptions used to calculate scheme liabilities under FRS102 are:

Principal Actuarial Assumptions

	As at 31 July 2022	As at 31 July 2021
Price inflation (CPI)	2.7%	2.6%
Rate of increase in Salaries	3.95%	3.85%
Rate of increase of Pensions in Payment	2.8%	2.7%
Discount Rate for Liabilities	3.5%	1.6%

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

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Retiring today		
Males	22.9	23
Females	25.1	25.1
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

The assets in the scheme were:

	As at 31 July 2022 £'000	As at 31 July 2021 £'000	As at 31 July 2020 £'000
Equities	23,420	24,604	19,774
Government bonds	-	-	-
Corporate bonds	9,576	9,523	9,044
Property	2,134	1,692	1,727
Cash	992	822	699
Other	13,496	11,698	9,867
Total	49,618	48,339	41,111

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Scheme assets	49,618	48,339
Scheme liabilities	(63,552)	(80,844)
Surplus / (Deficit) in the scheme – net pension liability recorded within pension provisions	(13,934)	(32,505)

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Current service cost	3,251	3,316
Past service costs – McCloud Judgement	-	-
Past service costs – GMP indexation	-	-
Total operating charge	3,251	3,316

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
--	--------------------------------	--------------------------------

Analysis of the amount charged to interest payable/credited to other finance income

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Net interest cost	507	489
Administration expenses	45	49
Curtailments	194	104
Net charge to other finance income	746	642

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
--	--------------------------------	--------------------------------

Total profit and loss charge before deduction for tax

Analysis of other comprehensive income:

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Gain on assets	(31)	5,458
Experience gain / (loss) on liabilities	21,102	(4,136)
Gain / (loss) on liabilities	-	-
Total other comprehensive income before deduction for tax	20,281	1,163

Analysis of movement in surplus/(deficit)

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Deficit at beginning of year	(32,505)	(31,394)
Contributions or benefits paid by the University	1,497	1,525
Current service cost	(3,251)	(3,316)
Past service cost	-	-
Other finance charge	(746)	(642)
(Loss) / Gain recognised in other comprehensive income	21,071	1,322
Deficit at end of year	(13,934)	(32,505)

Analysis of movement in the present value

	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Present value of liabilities at the start of the year	80,844	72,505
Current service cost (net of member contributions)	3,251	3,316
Curtailments	194	104
Past service cost	-	-
Interest on pension liabilities	1,285	1,156
Actual member contributions (including notional contributions)	500	543
Actuarial loss/(gain)	(21,102)	4,136
Actual benefit payments	(1,420)	(916)
Present value of liabilities at the end of the year	63,552	80,844

Fair value of assets at the start of the year	48,339	41,111
Expected return on assets	778	667
Actuarial gain / (loss) on assets	(76)	5,409
Actual contributions paid by University	1,497	1,525
Actual member contributions (including notional contributions)	500	543
Actual benefit payments	(1,420)	(916)
Fair value of scheme assets at the end of the year	49,618	48,339

The LGPS assets do not include any of the university's own financial instruments, or any property occupied by the university.

Actual return on scheme assets

Expected return on scheme assets	778	667
Asset gain / (loss)	(31)	(5,458)
	747	(4,791)

A movement in the discount rate of 0.1% would impact on liabilities by £1.5m and a movement in pay inflation assumption of 0.1% would again impact on liabilities by £1.5m.

(ii) Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including Further Education Colleges and Higher Education Institutions where membership is a requirement of ESFA / OFS funding. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis, these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 5 March 2019. The key results of the valuation were:

- employer contribution rates were increased from 16.4% of pensionable pay to 23.68% (with effect of September 2019) following the Government Actuaries Department review of valuations and the reduction of the discount rate to be used by 0.6%;
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;

The new employer contribution rate for the TPS was implemented in September 2019.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three-and-a-half-year period, for people who would fall up to three and a half years outside of the 10-year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.

The pension costs paid to TPS in the year amounted to £1,692,772 (2021: £1,741,775).

FRS102 (28)

Under the definitions set out in FRS102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the university has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University has set out above the information available on the plan and the implications for the university in terms of the anticipated contribution rates.

(iii) Scottish Widows Scheme

The University provides a pension arrangement known as a Defined Contribution (DC) pension scheme for all employees. The pension arrangement is called the Harper Adams University Group Personal Pension and is provided by Scottish Widows. The University's contribution to the DC scheme ranges from 5% up to a maximum 10% of pensionable salary, dependent upon the level of employee contributions chosen by the scheme member.

Employer contributions to this scheme are accounted for through the Consolidated Statement of Comprehensive Income at the time that payment to the external provider is accrued as due.

26. Access and Participation Plan – Reported Spend

	Year ended 31 July 2022			Year ended 31 July 2021		
	Staff Costs £'000	Other Costs £'000	Consolidated & University £'000	Staff Costs £'000	Other Costs £'000	Consolidated & University £'000
Access Investment	281	186	467	281	153	434
Financial Support	-	315	315	-	366	366
Support for Disabled Students	136	32	168	110	29	139
Research & Evaluation	144	-	144	127	-	127
Total Access and Participation Expenditure	561	533	1,094	518	548	1,066

The Access and Participation Plan for Harper Adams University is available at: [Harper Adams APP Plan](#)

The OfS guidance allows for the selection of different, but acceptable categorisation techniques, which can result in different measurements of categories of eligible access and participation expenditure and can affect comparability with other institutions. As a consequence, the approach to the development and implementation of access and participation plans can vary as agreed with the OfS.

Glossary of Terms

APB	Auditing Practice Board
BBSRC	Biotechnology and Biological Sciences Research Council
CUC	Committee of University Chairs
EU	European Union
FRS	Financial Reporting Standard
HEFCE	Higher Education Funding Council for England
LGPS	Local Government Pension Scheme
RDEC	Research and Development Expenditure Credit
REESEP	Rural Employer Engagement Student Experience Project
SORP	Statement of Recommended Practice
TPS	Teachers Pension Scheme
OFS	Office For Students



**Harper Adams
University**

Harper Adams University
Newport, Shropshire, TF10 8NB

Tel: +44 (0)1952 820280 Fax: +44 (0)1952 814783
Website: www.harper-adams.ac.uk