

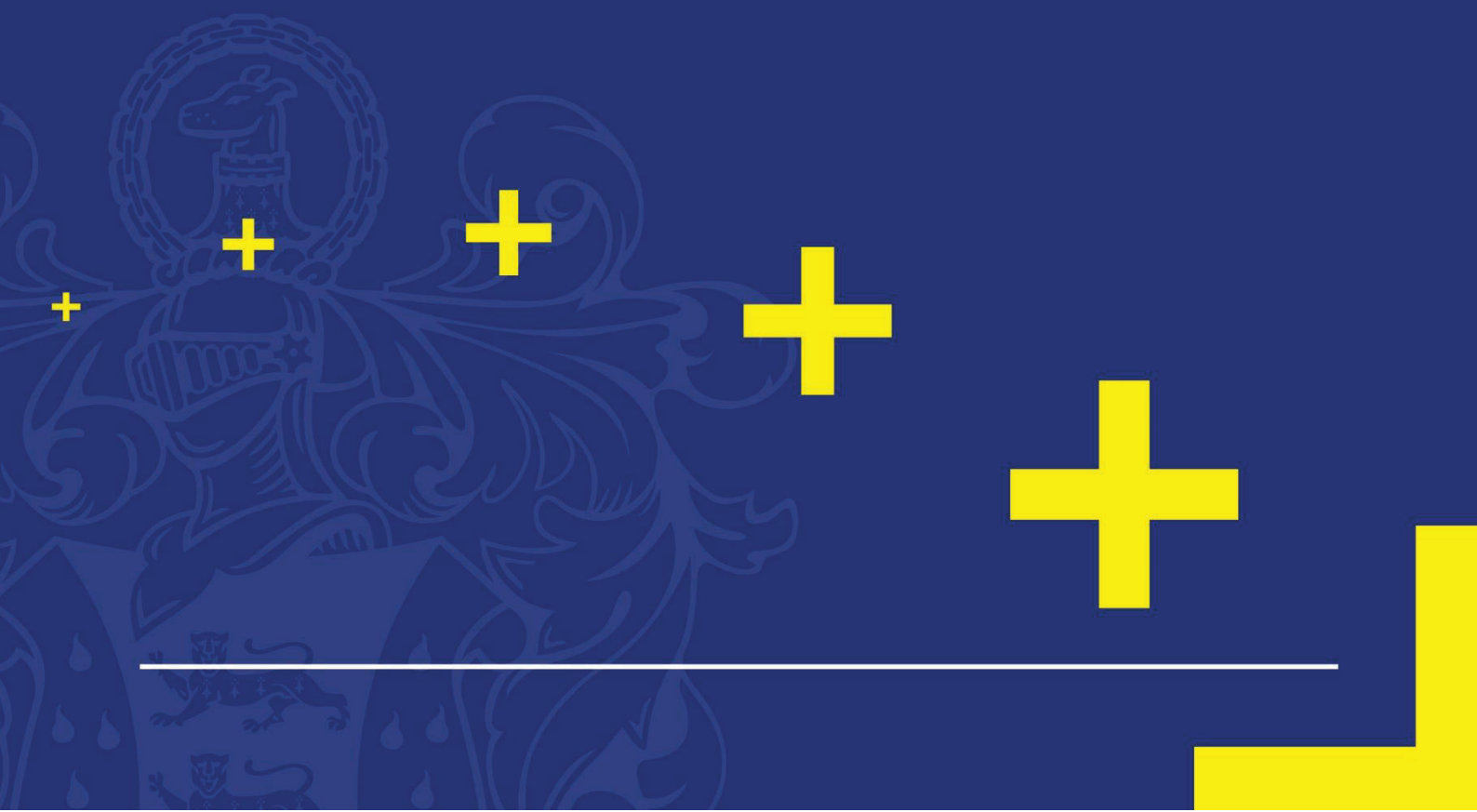


**Harper Adams
University**

Harper Adams University

Annual Report and Financial Statements

2022/23





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Chief Executive's Report

Introduction

This Annual Report covers our first year on campus since the Covid-19 Pandemic and, coincidentally, my first full academic year as Harper Adams' Vice-Chancellor and Chief Executive. It was the year when we were officially recognised by the Office for Students as a world-leading specialist English university – the only one with an agricultural and food specialism to be so designated in this new and highly competitive process. And in the Knowledge Exchange Framework, we retained our position within the top ten per cent of science and technology universities working with business, while in the WhatUni Student Choice Awards, we took the top spot in the Career Prospects category for the seventh year running. Our students, whose input into these ratings was crucial, once again won a raft of prestigious national awards and prizes and I am delighted to report that over 99% of our new graduates either went straight into employment in the sector or into further study. So this has been a significant year for the University – a year of external endorsement of our specialist status and recognition of our impact on the sectors that we serve.

However, we are a young, ambitious university and we don't rest on our laurels. This year, we launched our new strategic plan, *Together, We Will Make the Difference*, which maps out the University's path until 2030. We consulted with our Students' Union and other stakeholders to determine where we want Harper Adams to be, where the industries we serve need us to be by the end of the decade, and what measures we need to take to reach this position. Our vision is that by 2030 Harper Adams will combine being recognised as the UK's leading specialist institution with being an internationally recognised university for food production and technology, animal health and wellbeing, and their contribution to sustainable living environments for everyone on the planet. Our overarching purpose remains to provide education and research that combine excellence with impact, responding to the needs of the agricultural industry as a whole: our Strategic Plan identifies the five goals – inclusion; globally-connected; community, influence, and sustainability – that will enable us to do this. As this Report will show, we have already made a promising start on this pioneering journey – one that offers both opportunities and challenges and involves our whole Harper Adams community

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.

Excellence with Impact: Education

At Harper we offer an applied education, tailored to the needs of the agri-food and animal wellbeing industries, as well as the personal and professional development of our students. We revise our courses periodically to enable our students to meet the challenges of an ever-changing world.

In October, we announced a swathe of new-look undergraduate courses, developed with input from business and industry, specifically addressing the sector's needs in business management, food production and mechanical engineering. The Harper Forward curriculum focuses on six graduate attributes: Inspired, Digital, Growing, Caring, Applied and Global. The three courses in business management respond to a key under-skilled area in the sector – leadership and management; Food Science and Innovation aims to equip graduates with the practical, theoretical and technical skills to address current and future global food challenges; our six engineering routes have been fully refreshed to recognise the changing technologies, techniques and challenges of the future. We have also unveiled our upgraded facilities for Veterinary Education and Nursing, representing an investment of almost £500,000.

In February, we launched our dedicated Graduate School, which will enable us to build up a larger, stronger community of postgraduate students and researchers as envisioned in our Strategy. Here, students will be able to develop advanced skills in their discipline, as well as accessing opportunities for the sharing and critique of ideas. The Graduate School will enable us to create that vibrant postgraduate community that is a necessary and integral part of the University's future.

And we have continued to update and enlarge our offering of CPD courses – a tried and tested way of responding to the most immediate needs of businesses in our sector. In March, we launched a revolutionary course – currently the only one in the UK – that equips its participants with practical skills for agricultural drone spraying operations. We were also chosen by DEFRA as the West Midlands' pilot for their New Entrants Scheme, enabling new entrants to farming to develop the skills and network they need, as well as their business case to secure land, and involving a two-day residential event on campus.

I am delighted to report that this year our students were supported in their studies by employer-funded scholarships and philanthropic awards worth over £560,000, organised through our Development Trust – a record breaking level of sponsorship.

And this year, once again, our students scooped up an outstanding number of awards and prizes including the Spearhead Prize and the Harper Cymru Award, won by Hannah Burgoyne; the Agricultural and Law Association Prize awarded to Emily Richardson; the RSPCA Farm Animal Welfare Award for Sophie Allery, and the 2022 Royal Entomological Society Student Award won by Master's student, Duran Nanson. I am proud of all our prize-winning students, whose success is a very public testimony to the excellence of a Harper education.

Excellence with Impact: Research

We have an ambitious research strategy that includes growing the number and increasing the impact of our strategic alliances with partners in the UK and abroad, and increasing the proportion of our research that is recognised as internationally excellent (currently 60%). In preparation for this challenging journey, we have restructured our work



around two overarching research centres – Crop and Environmental Science and Animal Welfare – each containing a number of themed groups and working with cross-cutting multidisciplinary groups.

This year, we began a £1 million Innovate UK and DEFRA-funded collaboration with agri-tech company Flybox, and a Buckinghamshire egg farm, to develop the world's first fully modular insect farm: this will allow us to assess tackling climate change, land overuse and food waste by using insects as a sustainable source of protein on commercial farms. We became the first UK centre for the study of peat farming, launching our Paludiculture Innovation Project (PIP), with a share of a £5 million UK government fund aimed at solving challenges with lowland peat. We began planting for Potato-LITE – a multi-million pound potato research project to develop novel machinery and cultivation practices for UK potato farms that will minimise tillage intensity, improve soil health and lower GHG emissions: we are part of a consortium led by PepsiCo, including Cranfield University and a group of agri-businesses. And our Hands Free Farm began a new research project, examining how its autonomous vehicles can be used successfully in strip cropping.

Student research has continued its important contribution to our research output. Examples of this year's research projects (compulsory for all final year honours students) include an examination of UK calf rearing systems; how agriculture is taught in primary schools ('from farm to fork'); examining the benefits of seed priming winter wheat, with a trial in our campus glasshouses; developing a sugar-free meringue using a foam made from aquafaba (the water left over from cooking chickpeas). We have also been able to offer several new postgraduate research projects, including an MRes studentship to back the £2.3 million 'Breeding Low Methane Sheep' project (where we are one of several partners funded by Innovate UK); and another to evaluate the work with young people of the charity Farms for City Children (funded by the Worshipful Company of Butchers).

Inclusion

Outreach is a core part of our activities: we work to support progression into higher education, into Harper and, specifically, into the key industries we serve. In a new approach, colleagues have been travelling across the UK and Ireland to build relationships with careers advisers, teachers and students – a new approach aimed at raising the Harper Adams brand with students from both traditional and non-traditional backgrounds. Buoyed by our exceptional graduate outcomes, we have delivered a range of sessions across the local and national area.

Our Widening Participation (WP) work starts by identifying schools and colleges with students who fall into a range of WP categories and tracking how we can help and support them. Here, we work in partnership with EMWPREP (East Midlands Widening Participation Research and Evaluation Partnership). We are also developing an extensive range of WP activities. For instance, working with our Higher Horizons (UniConnect) Hub partners, we are piloting the new Reachout Project, working with eight schools of low participation backgrounds across Telford and Wrekin to develop a project of attainment raising, in line with new Office for Students (OfS) guidance on supporting WP; we

will work with Key Stage 3-4 learners to develop core academic skills and build their knowledge, understanding and confidence in progress to higher education through engaging with our staff and with role model student ambassadors. We are also reshaping our areas of collaboration with the Hub, to make sure we are engaging with learners across multiple key stages to inspire progression to higher education and to our own specialist careers areas. This partnership extends to our work within the Harper Keele Vet School, where we are leading on the new Future Vets programme: this aims to inspire the next generation of veterinary scientists and to support them through applications, interviews and organising work experience – often barriers of cultural capital. We have reinvigorated our Unity WP project, connecting with WP colleagues across Keele, Staffordshire and Harper to help develop careers progression and understanding of higher education across the wider Telford, Shropshire and Staffordshire regions. And we have several bespoke projects designed to support particular areas of WP shortfall: for instance, we recently held a Service Children's Progression Alliance event that enabled us to engage and inspire young people from armed forces families, who often struggle to find their place within local communities and to see opportunities to develop and progress within higher education.

Our School of Sustainable Food and Farming has been working to upskill the future workforce and secure new talent – including from backgrounds which may otherwise have dismissed the importance of agriculture, food and related industries. Working with LEAF Education and industry partners such as McDonalds, the School has developed research to understand how to inspire young people from a wide range of backgrounds to understand and become engaged with the agri-food sector so they may become future leaders in the field: recent research involved 2500 young people, and culminated in a two-day residential course on campus for 70 pupils and their teachers.

Working with our industry partners and alumni, we have also begun to develop scholarships to help a wider range of students from non-traditional backgrounds join Harper and our industries. We offer alumni scholarships for Agricultural students from limited farming backgrounds, and a Rabobank scholarship designed to interest WP students in food and business careers. We also have five £2000 scholarships available to our HARDI schools and colleges to support students who may be impacted by Rural Deprivation within low participation areas of the UK to engage with higher education at Harper Adams.

And we see in our landmark collaboration with Telford College and Telford and Wrekin Council, within the Station Quarter Digital Hub, an opportunity to better serve a local market of students from a wide range of backgrounds, enabling them to (re)enter education on their doorstep and preparing them for future industries and markets. This will significantly add to our University demographic of students, serve our local community and embrace a much more diverse range of student progression.



Globally-connected

Our strategy seeks to extend our international reach by becoming a more globally connected university with an increased number of international partnerships and collaborations, a more cosmopolitan campus and a student body that is globally confident and aware. We need to increase our educational reach, and in January launched our online-only route to our Agri-Business and Food Chain Management Masters degree, opening up access to students throughout the world. We also became part of a Pan-European AgTech education project (LATEST) that will develop a multi-disciplinary programme to boost the adoption of new agricultural technologies in Europe and help the development of sustainable innovation in agricultural practices; we were delighted to welcome a group of students from Udine University (one of the partner institutions) who came to campus to learn about Precision Farming and AgTech.

April saw the graduation of the second cohort of scholars who have worked for The Africa Agribusiness Qualification (AAQ). Harper Adams academics worked to deliver this course, based in South Africa, in partnership with the Gordon Institute Business School and Cerealis Precision (an importer and distributor of agricultural equipment in South Africa); the course equips students with the technical and leadership skills essential for the development of sustainable agriculture and food security in Africa. In May, we welcomed to campus 15 students from developing countries to start a 10-week scholarship course in sustainable farming, funded by the Marshal Papworth Fund, connecting people from different countries and continents to help secure the future of agriculture. They were honoured to have the opportunity to meet with our Chancellor, her Royal Highness The Princess Royal. Also welcomed to campus, for the whole academic year, were four students from the Odessa National University of Technology (ONUT), our linked university in the Ukraine; we are also collaborating with ONUT in research on gluten-free foods, and are working to explore and develop further links between our two institutions.

I visited Australia and India to further promote the University to new and existing partners. In Australia this included Monash University, La Trobe University and the Royal Society of Victoria. In India this included meeting with the Chair of TAFE, officers of the British Council and the head of the Indian Industries Association.

Community

At Harper Adams, we are a close-knit community of students, staff and alumni, united in our common goal of improving farming, food production, animal wellbeing and sustainability in the UK and the wider world. The Covid-19 Pandemic and its legacy have shown us the importance of looking after our community's mental health: we know that young people and people in rural areas have particularly suffered in this respect. So we were glad to welcome the Len's Light Tractor Relay that came to campus in July. Len's Light is a charity that particularly resonates with us here: it was set up by his parents in memory of Len, a former Harper student who sadly, some months after graduation, took his own life. Its aim is to improve mental health awareness among young people, and to raise awareness in rural

communities, making sure that no-one there feels isolated or alone. The work of Len's parents, Lynda and Andy, has helped shape the direction of some of the work we are doing here in terms of helping students build their resilience and look after their mental health. This year we also began working on our campus Peace Garden, which will provide a place for both students and staff to relax and reflect – a critical, quiet outdoor space to support wellbeing and aid mental health recovery.

Our alumni are an important part of our Harper community; many hold positions of influence in the industries we serve, and are always ready to share time and expertise with our current students. It is always a pleasure to report on alumni success. This year Lizzie Wilson, who graduated in 2003 with BSc (Hons) in Agriculture with Animal Science, was appointed Chief Executive of the National Pig Association; agronomist Hollie Hunter (BSc (Hons) Agriculture with Crop Management, 2021) was awarded the Barrie Orme Shield for achieving excellence and being judged the top scholar in the 2022 BASIS Certificate in Crop Protection. And Femi Adekoya, who studied for a Master's in Integrated Pest Management, has earned the prestigious Royal African Award for his use of innovative technology through his company, Integrated Aerial Precision, in his home country of Nigeria, to tackle pests and diseases by using drones; he also won a second award this year, from the African Plant Nutrition Institute for his work in developing precision agriculture.

And, of course, we are part of the much larger community of people in our local area – Edgmond, and Newport, Telford and Shropshire – where we're critical to wellbeing, identity and prosperity. This year has seen us work towards a greater engagement in the region. Last September, we teamed up with Telford and Wrekin Council to host another networking event for businesses at Newport Innovation Park (Ni:PARK), who learned how they could benefit from the pipeline of new talent emerging from Harper Adams. We also formed a partnership with the Shropshire Fire and Rescue Service, enabling them to train their drivers using on-campus facilities such as our off-road demonstration track. And we have been working with Telford College and Telford and Wrekin Council in a landmark collaboration that will extend our teaching and research from campus into the community. We are making plans to establish a new teaching and learning centre in Telford's Station Quarter Digital Hub – the developing knowledge district in the town centre – and to set up a state-of-the-art animal diagnostics and health facility with teaching, research and business engagement spaces in the Ni:PARK. The realisation of these plans will mean that, for the first time in our history, Harper Adams' teaching and research will no longer be confined to campus, but will move into the heart of our local community.

Influence

On 11 November, in London, we launched our Global Policy Forum, a new initiative to increase the University's engagement with government policy makers, business leaders and other opinion formers. A panel of business leaders and academics, each an expert in their area, considered the challenges of making the goal of achieving Net Zero achievable and realistic for everyday farmers and food producers. The debate was chaired by broadcaster,



Julia Bradbury, and we were delighted that our Chancellor, Her Royal Highness The Princess Royal, also attended and joined in the conversation after the panel's discussion. Our second Global Policy Forum was held in February in Belfast: attendees from the civil service, the hospitality sector, veterinary experts and agricultural chiefs took part in a far-ranging discussion about what makes Northern Ireland distinctive in the food and farming sectors and the opportunities for competitive advantage. One of our aims in this initiative is to create networks of impact to address urgent problems in our food supply and sustainability agendas. In June, I was one of the keynote speakers at a conference of senior university leaders in Barcelona: here I had the opportunity to introduce our Strategy and present a session on Local to Global Community Engagement, where, again, I drew on examples from Harper Adams.

The expertise of our academics has also been in demand by policy makers and influencers in the sector. In August, our academics worked with the Agriculture and Horticulture Development Board (AHDB) to examine how a trade deal with New Zealand will affect UK producers; the report used sophisticated modelling techniques developed by Dr Daniel May, Senior Lecturer in Applied Farm and Rural Economics. The United Nations' Food and Agriculture Organisation's first report on robotics and automation in agriculture drew on the expertise of Professor James Lowenberg-DeBoer (Elizabeth Creak Chair of Agri-Tech Economics) and Senior Engagement Fellow, Kit Franklin. In June, Professor Lowenberg-DeBoer also gave evidence to a Parliamentary Inquiry on Environmental Change and Food Security; this followed his work, along with Professor Michael Lee (Deputy Vice-Chancellor), on an action plan to boost productivity and innovation in British Agriculture presented to The House of Lords in November. Our academic specialists were also involved in drawing up a new code of practice for autonomous vehicles in agriculture and horticulture. Professor Lee has continued his role as Chair of the UK Universities Climate Network Net Zero Group.

Finally, I am delighted to report that Fellowships of the Royal Agricultural Societies were awarded to Professor Michael Lee and Harper Adams Governor, Debbie Winstanley; Senior Lecturer Andrew Black was awarded a Fellowship of the Agricultural Law Association (an accolade regarded as the highest in the sector), while the Institution of Agricultural Engineers gave an Award of Merit to Senior Lecturer, Graham Higginson.

Sustainability

This year has seen important initiatives by our School of Sustainable Food and Farming (SSFF), which works to equip farmers with the skills and knowledge to move towards Net Zero within sustainability parameters. The School's original partners – Morrison's, MacDonald UK and Ireland and the NFU – were joined this year by Meadow, one of the UK's leading value-added ingredients businesses; Meadow began a farmer engagement programme this spring, feeding into it knowledge from the partnership with SSFF. In July, a new partnership between the School and Tesco was announced, launching a new multi-year programme to help up-and-coming British farmers to develop their skills in sustainable agriculture; the programme will also fund research projects addressing some of the key sustainability challenges affecting agriculture.

Last December, judges (including Professor Michael Lee) met at Harper Adams to decide the winners of SSFF's 'Journey to Net Zero' competition; this was supported by Bradford Estates, MacDonald's UK and Ireland, Morrison's, the NFU, Trinity Ag Tech and Trinity Global Farm Pioneers, and invited entrants to pitch (Dragon's Den style) for a share of £50,000 prize fund by developing a new, commercially viable, scalable and sustainable farming system or process. The four winners were announced at the Oxford Farming Conference in January, with projects for intercropping and proving its value to scale; plant-based fertilisers; scaling biochar use on farms, and establishing a renewable way of heating water on a dairy farm. The School has been working with the winners during the year, as will *Farmers Guardian*.

We were proud to be the venue in April a first-of-its kind event, hosted by Innovation for Agriculture, to explore and understand the farm level changes needed to undertake the challenge of Net Zero by 2040. The day involved interactive sessions, showcased the latest research and enabled us to show how future technology can work in a real farm session at our Hands Free Farm.

And we have begun work on a unique £1.5 million sustainability programme which we are leading for the meat and agri-food firm, ABP. The programme will support 350 of the company's farmer suppliers, and share wider learnings across the UK beef and sheep sectors over the next two or three years. The aim is to help participants improve their carbon footprint and sustainability across the whole farm; the programme will assess carbon footprint, soil health and water use and will support biodiversity creation and resource efficiency. ABP hopes that this initiative will help UK beef and sheep farmers become global leaders in sustainable meat production.

We have also continued critical work to secure our long-term financial sustainability by focusing on revenue diversification and maximising the impact of our assets. Increasing the number of those people and organisations that can access the campus and the University's education and research activities is an essential part of this. Our emerging campus masterplan and digital delivery plan will accelerate this.

Conclusion

This has been an important and productive year for Harper Adams – a year in which our special position among UK institutions was formally recognised and when we started our journey towards realising our 2030 vision. We welcomed distinguished visitors to campus, including the Minister of State for Food, Farming and Fisheries, The Rt Hon Mark Spencer, MP; Secretary of State for Trade, Kemi Badenoch, the Chair of TAFE Mallika Srinivisan, and the Chief Inspector of Ofsted, Amanda Spielman. We were publicly praised by Prime Minister Rishi Sunak, who told the House of Commons: 'Harper Adams is a fantastic example of the type of innovation and skills provision that we need in our agrotech sector.' We were once again featured on BBC's *Countryfile*. And we planted our first vines to establish our first on-campus vineyard: I look forward to reporting in a couple of years the birth of the Harper Adams vintage!

Finally, none of what appears earlier is possible without the University's key assets: its students, employees, governors,

alumni and partners. I offer my sincere thanks to everyone who has been part of what the University has achieved this year. It is a challenging operating environment but one where an institution like Harper Adams can stand out. Community and collaboration drive us every day and it is through these that together, we will make the difference.

DocuSigned by:

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Professor Ken Sloan
Vice-Chancellor and Chief Executive
8 December 2023

The Year in Numbers

No. 1

in the UK for job prospects

WhatUni Student Choice Awards, 2016, 2017,
2018, 2019, 2020, 2022, 2023

(There was no award in this
category 2021)

No. 1

in the world for agriculture and
forestry employer reputation

QS World University Rankings,
2022 and 2023

99.2%

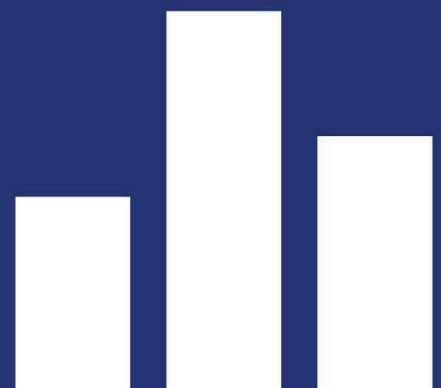
graduate employment*

Graduate Outcomes, 2023

*full-time, first degree students
in employment or further study

136 students were awarded **160**
scholarships totaling

£560,000



Financial Highlights**For the Year Ended 31 July 2023**

Consolidated Statement of Comprehensive Income	2022/23 £'000	2021/22 £'000	Change
Tuition fees	21,992	20,765	6%
Funding Council Grants	14,340	11,855	21%
Research Grants and Contracts	3,279	2,946	11%
Other Operating and Investment Income	11,598	9,468	22%
Donations and Endowments	566	456	24%
Total Income	51,775	45,490	14%
Surplus / (Deficit) for the year excluding Loan repayment break costs	1,245	286	335%
Loan Break Costs	-	(1,085)	
Surplus / (Deficit) for the Financial Year	1,245	(799)	256%

Consolidated Statement of Financial Position	2022/23 £'000	2021/22 £'000	Change
Fixed Assets (incl Biological Assets)	88,107	89,524	
Investments	1,086	1,109	
Net Current Assets	32,574	29,922	
	121,767	120,555	1%
Long Term Creditors and Provisions	(37,626)	(52,211)	28%
Total Net Assets	84,141	68,344	23%

	2022/23 £'000	2021/22 £'000	Change
Capital Expenditure in Year	2,796	2,375	18%
Net Cash inflow from Operating Activities	7,728	6,649	16%

Strategic Review

The University has had a successful year with a surplus reported of £1.2m (Deficit 2021/22: £0.8m). Following the REF2020 results issued in May 2022 and recognition as a specialist provider of World Leading Teaching following a submission to the Office for Students the University was awarded additional grants in the year to support teaching and research totalling in excess of £2m. These grants enable the University to continue to invest to prioritise student experience and academic excellence. Whilst costs have increased not only as a result of increased activity but also inflation with significant increases experienced for energy and agricultural feed and fertiliser.

The University welcomed 736 new undergraduates including 68 to the vet school at the Harper Adams campus for the 2022/23 academic year, a small increase of 2% in comparison with 2021/22. Apprentice routes to both degree and taught postgraduate was strong with a further 77 commencing their studies in 2022/23, a doubling of 2021/22 intake as a result of a new Vet Technicians apprenticeship being launched for the first time. Research and knowledge exchange contracts have continued to increase with growth of 11% year on year. The University continues to work closely with the sectors of specialism working with many industry partners to jointly develop solutions to meet sector priorities.

Conferences and events have returned to pre-pandemic levels throughout the year, and farm revenues increased due to market pricing. The overall 2022/23 results show increases in all operational income whilst there has been an increase in costs as activity increased. In 2021/22 there were 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 for professional fees, there have not been any similar exceptional type costs in 2022/23.

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 strategic projects. 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 in 2022/23 14.9% achieved a 0.3% increase on 2021/22

Scope of Financial Statements

The financial statements for the year ended 31 July 2023 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 £11.9m 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

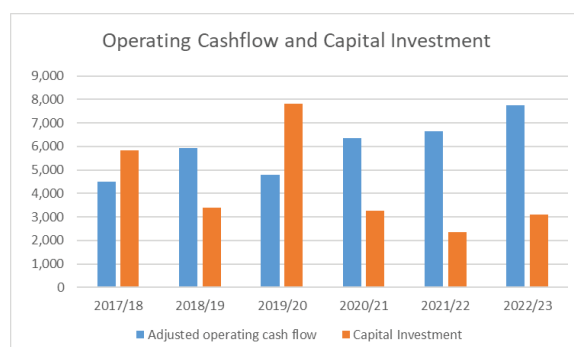
The University group report a surplus of £1.2m after taxation (2021/22 deficit: £799k), and actuarial charges of £1.2m (2021/22 £2.5m).

Income has increased in comparison to 2022/23 The third cohort of vet school students were welcomed at the beginning of the academic year with an intake of 136 students (2021/22 -128 students), 50% attributed to the University equivalent to £3.8m.

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:

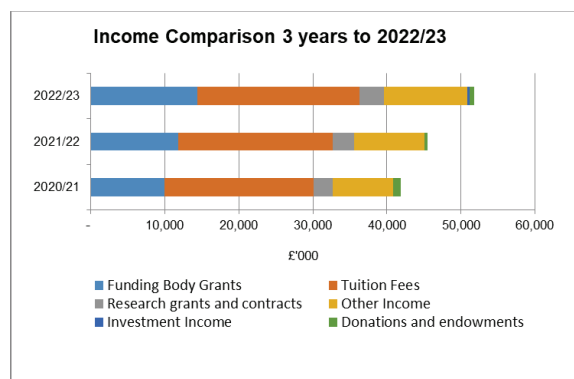
Key Financial Ratios as a % of income	2022/23	2021/22
Operating Surplus / (Deficit)	3.0%	(1.8%)
Surplus / (Deficit)	2.4%	(1.8%)
Staff Costs	54.6%	57.6%
Operating Cash	14.9%	14.6%
	£'000	£'000
EBITDA	6,893	5,500
Operating Cash Generated	7,728	6,649

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.



Income

Total income increased by £6.3m, in comparison with the 2021/22, with growth across all operational areas.

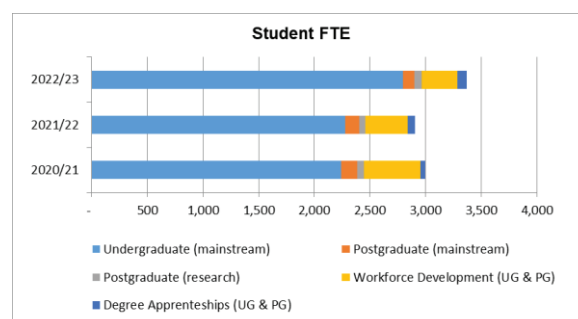


The University activity and revenue have recovered to pre-pandemic levels in most areas. The University has continued to operate with a flexible approach with some off-site working continuing and many meetings continuing to operate in a virtual environment, this has reduced footfall on campus and has resulted in catering revenues to be restricted.

The University was awarded £550k HEIF grant (2020/21; £505k) 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.

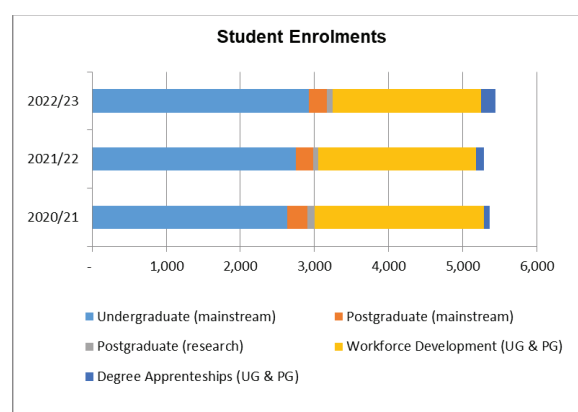
Applications offers and enrolments

The University maintained overall student enrolments at similar levels to previous year with a small increase of undergraduates due to improved student recruitment, the Harper Keele vet school accepted a third cohort of 136 students, 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. A new 2-year Apprenticeship for Veterinary Technicians was launched in September 2022 which recruited strongly in its first year.

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.



Research Grants and Knowledge Transfer

Further successes in winning research and consultancy contracts were achieved, with 74 contracts awarded at a value of £4.8m in the year (2021/22: £2.0m), and projects in the year generating income of £3.28m (2022: £2.9m). 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

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.

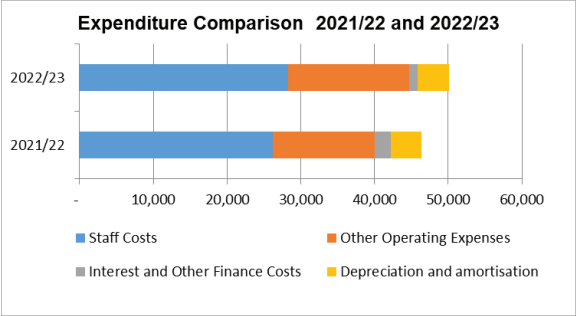
Other sources of income include catering , the Farm and Conferencing.

Capital developments and investment during the financial year

University capital investments amounted to £2.796m, of which £1.2m which was made in the Farm and associated trials facilities, renewing machinery and refurbishment of facilities and infrastructure. A small investment of £40k was made in establishing a small vineyard circa 1Ha at the University for the first time it is primarily for teaching and research and it will be 3–4 years before the vines come to full production from which University wines can be produced. Further investment in farm facilities to increase teaching and research capacity is in progress is continuing in to 2023/24.

Expenditure

High levels of inflation have increased all areas of non-pay expenditure with the greatest increase in food, farm feeds and fertilisers and utilities.



Pay costs represent the largest single element of the University’s expenditure, at £28.2m equivalent to 54.6% of income. This includes 50% of joint vet school related costs which have increased in the year from £973k to £1.21m which is £268k below that budgeted

2022/23 was the third and final 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 2022 an uplift of pension contributions on a phased basis over the next three years, in April 2023 the rate was agreed at 18.2% from 16.48% for employer contribution this will increase to 21.2% in the last 8 months

of the three-year period. In April 2023 an estimate of the annual charge was made and LGPS employer contributions were paid 12 months in advance in order to secure a 2.3% discount on contributions bring the contribution to 17.78% from 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 £1.2m (2022/23 £2.55m) including interest.

LGPS pension costs for support staff recognise the annual costs of pension deficits as estimated by actuarial valuations, increasing staff costs by £698k (2021/22: £2.0m) and £509k (2021/22: £552k) 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.

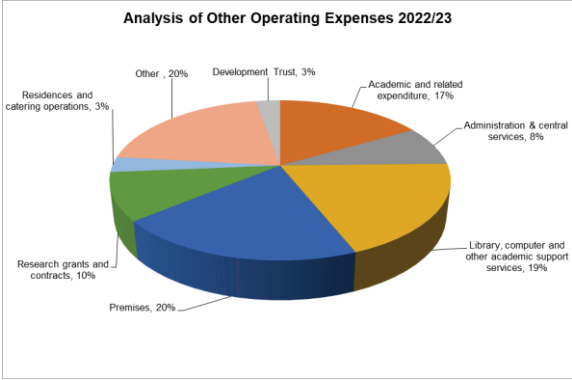
However, issues arose as the SERPS benefit being replicated by GMPs lead to inequality for men and women. For example, SERPS benefits become payable to men and women at different ages (65 and 60 respectively) thus the rate at which the benefit is accrued differs.

The University has a DC Group Personal Pension plan with Scottish Widows which is available for professional services staff joining the University.

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 made in 2021/22 and a further increase was made in Feb 2023 of circa 2% as an advance award in respect of 2023/24 negotiations. This was offered in recognition of high inflation experienced across the UK.

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 2022/23 the University invested 61% of the available funds to provide apprenticeships to 13 employees, with some unspent funds transferred via a pledge to assist SMEs with apprenticeships in agriculture, horticulture and animal sciences. In 2023/24 the University is projected to invest 73% of available funds to provide apprenticeships to 10 employees. Apprenticeship posts continue to be promoted across the University.

Interest charges in 2021/22 were high at £2,198k with exceptional break costs of £1.058m incurred as loans were restructured with £25m loan notes issued at fixed rate of 2.39% for 30 years. In 2022/23 interest comprised only fixed interest cost of £597k for the loan notes and actuarial pension charges of £610k.



Other operating expenses increased by £2.8m, in the period, to £16.5m from £13.8m in 20122/23. 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 £885k in the year (2021/22: £618k) following the vet school accepting its third cohort of students.

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 in 2018 and are classifying in-country delivery as creating a permanent establishment in China which result in a Chinese tax liability. The University has worked with advisors and the partner Universities in order for tax liabilities to be agreed and for ongoing taxes to be paid. Significant liabilities extending back to 2013 which are in respect of the one location were only agreed after the year end. The charges agreed have resulted in a liability of £1.1m for the 10-year period. This liability was in excess of the provision carried in the accounts at 31 July 2022 and has resulted in an additional tax charge of £437k in 2022-23.

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 2023 is considered to be appropriately carried at cost.

Cashflow, Financing and Treasury

The University held a combined total of £35m of cash and liquid investments at the year end. The University refinanced its debt in December 2021 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.

Interest rates during the course of the year have risen each month and the University has £12m in 12-month fixed rate deposits and shorter period deposit accounts total interest reported £406k (2021/22 £16k).

Pensions

LGPS pension liabilities reduced significantly in the year with the updated actuarial valuation assessing the University's share of scheme liabilities at £495k from £13.9m at the start of the year and from £32.5m at 1 August 2021. 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 and is expected to increase again in April from 2024.

The Financial Future

The University has launched its new strategic plan strategic plan; 'Together we will make a difference'. the 2030 vision.

Harper Adams University is committed to the delivery of excellence in academic activities, and resources are strategically invested to this end and the University intends to attract more diverse learners both from the UK and international. This will support growth and future investment for the University.

The University is increasing presence in the locality and intends to lease space in a digital skills hub in Telford learning district from September 2024 to deliver a range of courses to support development and retention of skills in the region. In Newport a state-of-the-art animal diagnostics facility, with spaces for learning and teaching, research, and business engagement is planned for the Ni-PARK agri-tech and science park.

The vet school has accepted a larger than anticipated intake of undergraduates in each of the first four years of operation from September 2020. There has been ongoing engagement with RCVS as the school progresses through the accreditation process. 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 the 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 have exceeded 10.0% over the past 12 months, consequently the University continues to identify new opportunities for growth. 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.

Research funding opportunities continue to be highly competitive. However, by working collaboratively with industry and key partners we plan to continue to increase research income across the university. The number of bids being made across the University has increased with a 36% bid success rate over the past 12 months.

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 and Raft Solutions Ltd 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 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. This is essential as we continue to experience high levels of inflation across the University and also anticipate further increases in employment costs with defined benefit pension costs expected to increase in the next 12 months.

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

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Mr Peter Nixon
Chair of Governors
8 December 2023

DocuSigned by:



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Mrs Liz Furey
Chief Financial Officer
8 December 2023

Streamlined Energy and Carbon Reporting

The University has energy efficiency and reducing carbon emissions as one 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 3,362MWh 100% clean energy renewables, backed by Renewable Energy Guarantee of Origin (REGO) certified energy supplies

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 ration 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

- Continued to maintain PV systems across 8 roofs with a combined power rating of 168.72 kWp, potentially generating c. 152,000 kWh p.a. and offsetting c. 35 tonnes CO₂e
- £140k Investment in energy efficient lighting schemes was made during the year.
- 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 2022/23 & 2021/22)

	Energy (kWh)		Emissions (tCO ₂ e)			
Energy Source	2022/23	2021/22	2022/23	2021/22		
Mandatory energy use & emissions:						
Scope 1						
Natural Gas	8,318,877	7,837,767	1,518.69	1,430.71		
Transport – company owned vehicles	186,198	344,339	48.7	93.5		
			Location-based	Market-based ¹	Location-based	Market-based ²
Scope 2						
Purchased Electricity	3,362,672	3,434,479	650.27	0	664.16	0
Scope 3						
Transport – Business travel - employee owned vehicles & contracted hire cars	181,593	105,599	43.08	25.4		
Total gross energy & emissions: (Mandatory)	12,049,340	11,722,184	2,260.74	2,213.86		
Intensity Ratios						
Tonnes of CO ₂ e per student			0.42	0.42		
Tonnes of CO ₂ e per student and FTE staff			0.37	0.38		
Voluntary energy use & emissions						
Scope 1						
Biomass	1,083,062	757,634	16.73 ³	7.98 ³		
LPG & Kerosene	60,657	61,596	13.0	13.2		
Generated electricity consumed on site ⁴	561,196	481,159	0	0		
Total gross energy & emissions (Voluntary)	1,704,915	1,300,389	29.73	21.18		
Total gross energy & emissions (Mandatory & voluntary)	13,754,255	13,022,573	2,290.48	2,235.03		

¹ Zero emissions resulting from purchase of clean energy renewables, backed by Renewable Energy Guarantee of Origin certified supplies (consecutive certificate periods 04/2021 – 03/22 & 04/2022 – 03/23). 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 04/2021 – 03/22 & 04/2022 – 03/23). Supplier: EDF Energy

³ [N₂O & CH₄ only emissions]

⁴ Solar photovoltaic – Diary & Jebb, excluding exported energy (kWh) to the National Grid

Energy & emission reductions:				
Scope 1				
Generated electricity exported to grid	7,214	11,779	1.49	2.28
Scope 2				
Net electricity consumption	3,355,458	3,422,700	648.78	661.88
Total net energy & emissions (Mandatory & voluntary)	13,747,041	13,010,794	2,288.99	2,232.76
Out of scopes				
Biomass	1,083,062	757,634	379.00	267.66
			<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 2023 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, research and knowledge exchange in the specialist areas of food production and technology, animal health and wellbeing and sustainable, living environments for the planet. The University conducts this delivery principally on an estate of 494 hectares (including the University Farm). The University's mission is: To advance knowledge, to inspire and equip learners in our specialisms to deliver real change, and contribute to a sustainable future for the inhabitants of and habitats across our living planet. The essential strategic aims necessary to fulfil this mission are identified in the University's current strategic plan 'Together we will make the difference – Our 2030 Vision'. The financial statements should be read in the context of a continuous endeavour to secure these aims.

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 2022/23, were to refresh the University strategic 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 University Secretary and the appointment of the Deputy University Secretary to the role, along with other appointments to the senior team, including the new roles of Chief Operating Officer and Chief Global Impact Officer. 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 and introduced and recruited to an additional student Board member position. 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

The Board of Governors confirm that:

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 is also working towards the establishment of key performance indicators with which it will monitor the performance of the University against 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 and in the sector. 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; 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. The action in relation to revising arrangements in light of the updated CUC Senior Staff Remuneration Code has been completed with new processes and procedures having been agreed and implemented. Work on the KPIs further to the launch of the new University Strategy is in progress and draft KPIs will be presented to the Board in November 2023. The Students' Union President report to Board has been updated and work will continue to ensure better linkage to the Students' Union Board reporting. The Board has participated in 'student for the day' during 2022/23. Staff observers will continue to be asked to share experiences of observing Board meetings and plans for the review process for the next Effectiveness Review will be developed nearer the time of the next review.

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 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. Professor Ken Sloan took up his appointment as Vice-Chancellor with effect from 1 November 2021 and has been the Vice-Chancellor for the period relevant to this set of financial statements.

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 2022/23 review was 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 2021/22 in light of the revised Code published in November 2021. 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 2022/23 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 revised procedures and terms of reference as part of the University's Publication Scheme on the University's web site. The Board has also approved 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 2023. 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 2023 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 has been completed in 2022/23 and will be presented to the Board in November 2023.

The internal audit reports completed during 2022/23 confirmed substantial assurance in three areas, and reasonable assurance in two areas. The annual follow-up on completion of previous audit related actions confirmed good progress for the Student Union and reasonable progress for the University.

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 2022 meeting, the Board of Governors carried out the annual assessment of the Audit & Risk Management Committee's activities for the year ended 31 July 2022 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 2023 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 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 2022/23 included the risk mitigation procedures undertaken in the areas covered by the reviews conducted as part of the 2022/23 internal audit plan. Internal audit work focused on Data Quality (HESA and the Framework for In Year Returns), UK Research and Innovation Grant Processes, Management and Oversight of International Arrangements, Change Management Framework arrangements, Estates Department Review (including procurement) and Learner Numbers Systems for apprenticeship provision. 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 2023/24.

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 Equality Diversity and Inclusion Plan in 2022/23 and will continue its work to monitor progress with associated actions arising from the plan and from the University's and Respect Policy. Drawing on best practice at other HEIs, work is also 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 2022/23 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 good 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 2022/23 (and up to the date of this report)

Details of membership including changes to membership that took place during 2022/23 and up to the date of this report are set out below as follows:

Members who retired from the Board during 2022/23

V Blakeman (January 2023)
M Ormoerod (July 2023)
J Millbank (July 2023)

Members who continued their membership of the Board during 2022/23

P Nixon (Chair)
D Wong (Vice-Chair)
E Folkes
K Greetham
M Griffiths

D Hewett nee Winstanley
Y Hawkins
R Payne
J Reade
T Sheikh
B Shipston
E Slater
K Sloan (Vice-Chancellor)
U Uhumwangho
T Watson
B Bray
C Beer

Members who joined the Board during 2022/23

T Klages (April 2023)
E Mace (SU President from July 2023)

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 28 November 2023.

DocuSigned by:

Kate Baker

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Mrs Kate S Baker
Clerk to the Governors
For and behalf of the Board of Governors
8 December 2023

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 2023, which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated 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 2023 and of the group's and the parent university's deficit, income and expenditure, gains and losses, changes in reserves and of the group's 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. In auditing the financial statements, we have concluded that the Governing body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the governors' 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 governors' 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 governors' 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), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with relevant terms and conditions; and
- the requirements of the OfS Accounts direction 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 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 22 to 23, 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.

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. 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

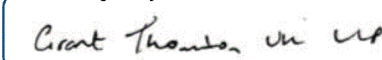
- our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the university's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures 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. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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.
 - the policies and procedures implemented by the university to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
 - the adequacy of procedures for authorisation of transactions and review of management accounts
 - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

Use of our report

This report is made solely to the university's Governing body, 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

DocuSigned by:



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William Devitt

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
15 December 2023

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 other borrowings consisted of £25m, 30-year loan notes, to a US based investor. The increased cash balances are held on treasury 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
Software	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 2023. 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 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees	1	21,992	21,992	20,765	20,765
Funding council grants	2	14,340	14,340	11,855	11,855
Research grants and contracts	3	3,279	3,279	2,946	3,001
Other operating income	4	11,192	11,698	9,452	9,716
Investment income	5	406	401	16	16
Total income before endowments and donations		51,209	51,710	45,034	45,353
Donations and endowments	6	566	549	456	599
Total income		51,775	52,259	45,490	45,952
Expenditure					
Staff costs before LGPS pension service cost	7	27,578	27,578	24,261	24,261
Increase/(decrease) in Staff LGPS pension service cost	7	698	698	1,948	1,948
Depreciation and Amortisation	11	4,247	4,027	4,137	3,930
Other operating expenses	8	16,606	17,566	13,781	14,309
Interest and other finance costs (excl. LGPS interest)	9	598	598	561	561
Interest and other finance costs (LGPS only)		509	509	552	552
Loan repayment break costs	9	-	-	1,085	1,085
Total expenditure		50,236	50,976	46,325	46,646
Surplus / (Deficit) before other gains and losses		1,539	1,283	(835)	(694)
Gain on disposal of fixed assets	11	51	51	36	36
Gain on investments	12	85	85	22	22
Surplus / (Deficit) before taxation		1,675	1,419	(777)	(636)
Taxation (charge) / credit	10	(430)	(437)	(22)	(13)
Surplus / (Deficit) for the year		1,245	982	(799)	(649)
Actuarial gain in respect of pension schemes	25	14,552	14,552	21,071	21,071
Total comprehensive income and expenditure for the year		15,797	15,534	20,272	20,422
Represented by:					
Restricted endowment income for the year		(28)	(28)	(89)	(89)
Restricted comprehensive income for the year		57	(21)	(41)	24
Unrestricted comprehensive income for the year		15,768	15,583	20,402	20,487
		15,797	15,534	20,272	20,422

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 2023

Consolidated	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2021	1,172	524	46,376	48,072
Deficit from the income and expenditure statement	(89)	(41)	(669)	(799)
Other comprehensive income	-	-	21,071	21,071
Total comprehensive income and expenditure for the year	(89)	(41)	20,402	20,272
Balance at 1 August 2022	1,083	483	66,778	68,344
Surplus / (Deficit) from the income and expenditure statement	(28)	57	1,216	1,245
Other comprehensive income	-	-	14,552	14,552
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income and expenditure for the year	(28)	57	15,768	15,797
Balance at 31 July 2023	1,055	540	82,546	84,141

University	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2021	1,172	219	44,934	46,325
Surplus / (Deficit) from the income and expenditure statement	(89)	24	(584)	(649)
Other comprehensive income	-	-	21,071	21,071
Total comprehensive income and expenditure for the year	(89)	24	20,487	20,422
Balance at 1 August 2022	1,083	243	65,421	66,747
Surplus / (Deficit) from the income and expenditure statement	(28)	(21)	1,031	982
Other comprehensive income	-	-	14,563	14,563
Total comprehensive income and expenditure for the year	(28)	(21)	15,594	15,545
Balance at 31 July 2023	1,055	222	81,015	82,292

Consolidated and University Balance Sheet

Year ended 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible assets	11	87,479	83,930	88,985	85,216
Investments	12	1,086	1,931	1,109	1,953
Biological Assets	13	628	628	539	539
Trade and other receivables	15	-	1,015	-	1,285
		89,193	87,504	90,633	88,993
Current assets					
Stock	14	1,180	1,180	1,044	1,044
Trade and other receivables	15	3,813	4,162	4,117	4,387
Investments	12	13,019	13,019	5,987	5,987
Cash and cash equivalents		24,010	23,345	26,535	26,106
		42,022	41,706	37,683	37,524
Creditors - amounts falling due within one year	16	(9,448)	(9,426)	(7,761)	(7,700)
Net current assets		32,574	32,280	29,922	29,824
Total assets less current liabilities		121,767	119,784	120,555	118,817
Creditors – amounts falling due after more than one year	17	(36,923)	(36,923)	(37,378)	(37,378)
Provisions					
Pensions provisions	25	(494)	(494)	(13,934)	(13,934)
Other provisions	18	(209)	(75)	(899)	(758)
Total net assets		84,141	82,292	68,344	66,747
Restricted reserves					
Income and expenditure reserve – restricted reserve	19	540	222	483	243
Endowment – restricted reserve	19	1,055	1,055	1,083	1,083
Unrestricted reserves					
Income and expenditure reserve - unrestricted		82,546	81,015	66,778	65,421
Total reserves		84,141	82,292	68,344	66,747

The financial statements on pages 35 to 56 were approved by the Board of Governors on 8 December 2023 and signed on its behalf by:

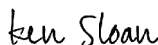
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Mr Peter Nixon
Chair of Governors

DocuSigned by:



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Professor Ken Sloan
Vice Chancellor

DocuSigned by:



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Mrs Liz Furey
Chief Financial Officer

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

Consolidated Cash Flow Statement

Year ended 31 July 2023

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		1,245	(799)
Adjustment for non-cash items			
Depreciation		4,247	4,137
Gain on investments		(85)	(22)
Increase in stock and biological assets		(225)	(125)
Decrease / (Increase) in debtors		304	(526)
Increase in creditors		1,933	629
Increase in pension provision	25	1,113	2,500
Increase/(Decrease) in other provisions	18	(690)	61
Capital grant income		(661)	(815)
		5,936	5,839
Adjustment for investing or financing activities			
Endowment Income		-	-
Interest payable	9	598	560
Loan repayment break costs		-	1,085
Profit on the sale of fixed assets		(51)	(36)
Investment income	5	-	-
		547	1,609
Net cash inflow from operating activities		7,728	6,649
Cash flows from investing activities			
Proceeds from sales of fixed assets		109	36
Capital grant receipts		249	607
Investment income	5 / 12	85	22
Payments made to acquire fixed assets		(2,808)	(2,364)
New non-current asset investments (treasury term deposits)		(7,000)	(3,227)
		(9,365)	(4,926)
Cash flows from financing activities			
Interest paid		(598)	(560)
Loan repayment break costs		-	(1,085)
New unsecured loans		-	25,000
Repayments of amounts borrowed		(290)	(12,044)
		(888)	11,311
Increase / (Decrease) in cash and cash equivalents in the year		(2,525)	13,034
Cash and cash equivalents at beginning of the year		26,535	13,501
Cash and cash equivalents at end of the year		24,010	26,535

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

Notes to the Financial Statements

1. Tuition fees

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full time students – home/EU	18,722	18,722	17,832	17,832
Full time students charged overseas fees	1,535	1,535	1,352	1,352
Part time fees	735	735	658	658
Short course fees	651	651	579	579
Other fees	348	348	344	344
	21,992	21,992	20,765	20,765

2. Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grant (OFS)	10,636	10,636	9,241	9,241
Release of deferred capital grant (OFS)	448	448	515	515
Research grant (Research England)	1,922	1,922	1,217	1,217
Higher Education Innovation Fund	612	612	505	505
Education and Skills Funding Agency	692	692	377	377
Hardship Funding (OFS)	30	30	-	-
	14,340	14,340	11,855	11,855

Details of Grant and Fee Income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant Income from the OfS	11,726	11,726	10,270	10,270
Grant Income from other bodies	2,614	2,614	1,585	1,585
Fee income for taught awards (excl. VAT)	21,943	21,943	20,699	20,699
Fee income for research awards (excl. VAT)	49	49	66	66
	36,332	36,332	32,620	32,620

3. Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Research grants and contracts	3,279	3,279	2,946	3,001

4. Other operating income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Catering and residence	4,626	4,626	4,240	4,240
Conferences and short course accommodation	808	808	523	523
Consultancy	18	18	30	30
Farm	3,965	3,976	2,813	2,823
Other income	1,413	1,908	1,268	1,522
Crop Trials income	41	41	213	213
Validation fees	321	321	365	365
	11,192	11,698	9,452	9,716

5. Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank interest	401	401	16	16
Development Trust Interest	5	-	-	-
	406	401	16	16

6. Donations and endowments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Permanent Restricted Endowments	-	-	(89)	(89)
Other donations with restrictions	552	463	545	575
Other donations without restrictions	14	86	-	113
	566	549	456	599

7. Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs:				
Salaries	21,662	21,662	18,822	18,822
Social security costs	2,198	2,198	1,906	1,906
Pension costs (excl. LGPS service cost)	3,718	3,718	3,533	3,533
	27,578	27,578	24,261	24,261
LGPS Service cost	698	698	1,948	1,948
Total	28,276	28,276	26,209	26,209

During the year severance costs of £nil were paid (2022: £21,505) to individuals (2022: 5 individuals). Therefore, no costs are included within the salaries figures above for the current year to 31 July 2023.

	Year Ended 31 July 2023	Period 1 Nov 2021 to 31 July 2022	Period 1 Aug 2021 to 31 Oct 2021
Emoluments of the Vice-Chancellor (VC) and Interim Vice-Chancellor	Consolidated & University (VC) £'000	Consolidated & University (VC) £'000	Consolidated & University (Interim VC) £'000
Salary	239	173	45
Payments in lieu of accrued holiday at retirement	-	-	-
Benefits	1	1	-
Accommodation	-	-	-
Employer's pension contributions	24	21	10
Payments in lieu of pension contributions	-	-	-
	264	195	55

The Vice-Chancellor's basic salary is 6.19 (2022: 6.51) 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 6.11 (2022: 6.27) 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 prior year figure for *total remuneration* has been recalculated following an omission in the prior year workings. This has been redisclosed as 6.27 (previously this was incorrectly disclosed as 5.68).

Benefits

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

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 7 members (2022: 6 members).

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Key management personnel emoluments	1,098	867

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 2023		Year ended 31 July 2022	
	Consolidated No.	University No.	Consolidated No.	University No.
£100,000 to £104,999	2	2	1	1
£105,000 to £109,999	1	1	-	-
£110,000 to £114,999	-	-	1	1
£115,000 to £119,999	1	1	-	-
£125,000 to £129,999	1	1	1	1
£230,000 to £234,999	-	-	1	1
£235,000 to £239,999	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 2023		Year ended 31 July 2022	
	Consolidated No.	University No.	Consolidated No.	University No.
Average staff numbers by major category per HESA:				
Academic	181	181	174	174
Administration and Support	118	118	134	134
Management & Specialist	36	36	33	33
Other	94	94	100	100
Research	11	11	13	13
Technical	35	35	34	34
	475	475	488	488

Companies Act (Average Count)

	Consolidated No.	University No.	Consolidated No.	University No.
Average staff numbers by major category per Co Act:				
Academic	231	231	228	228
Administration and Support	143	143	155	155
Management & Specialist	82	82	40	40
Other	125	125	125	125
Research	12	12	16	16
Technical	44	44	42	42
	637	637	606	606

Justification for Head of Institution Salary

The University is a 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 2023/24, 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 including in particular leading on a refresh of the institutional Strategic Plan. In particular the Remuneration Committee and Board agreed that the Vice-Chancellor's top priority had been to fully deliver the development of the Harper 2030 Strategic Plan in which his performance had been excellent. It was also the case that many of the initial objectives set for 2021/22 remained appropriate and required continued and longer-term work than one-part year could have facilitated. It was agreed that the Vice Chancellor had demonstrated excellent performance overall during 2022/23 not only meeting the interim objectives set and leading on strategic development, but also profile raising for the University and cultural change, the effects of which are already being seen.

With regard to the continued objectives, it was agreed that the performance of the Vice-Chancellor had been excellent demonstrating the continued establishment of credible, productive and supportive relationships with the senior team, developing plans to deliver the Strategic Plan and providing sound leadership of University resources. In addition, ambassadorial activities had seen significant increase of investment by the Vice-Chancellor over the period and key strategic partnerships had been forged with Telford and Wrekin Council and other stakeholders. The Remuneration Committee and Board agreed that the Vice-Chancellor continued to demonstrate strong and secure leadership presence providing confidence to the staff and student community and the Board.

The continued objectives set for the Vice-Chancellor for the period from August 2022 to July 2023 included: To continue to establish oneself in role and to identify priorities to be addressed in the immediate, medium and long term: To continue to establish credible, productive and supportive relationships with members of the senior team and establish an appropriate approach to delegation and decision making: To continue 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 continue to position the Vice-Chancellor as an engaged, accessible and visible leader of the University community: To continue 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 continue to identify key contacts within the rural, agricultural, regional and national policy, higher education, and international domains and to deliver 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 continue 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 continue 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 continue to identify 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.

Key institutional achievements during 2022/23 are noted in the first section. 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 continue to be recognised by the Board as key strengths. While judging progress against agreed objectives and overall performance of the Vice-Chancellor as excellent, the Board in July 2023 noted that the Remuneration Committee had agreed an individual consolidated pay award of £7,500 to be made for implementation in 2023/24.

For 2022/23, 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 2022/23 are set out in the tables above.

The Board was satisfied that the remuneration package for the Vice-Chancellor during 2022/23 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 2023.

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 £3,400 (2022: £2,842) were made to Harper Adams in Ireland and payments totalling £5,810 (2022: £6,540) to Harper Adams Club.

No Board member has received any remuneration/waived payments from the group during the year (2022: none)

The total expenses paid to or on behalf of 12 Board members was £3,024 (2022: £1,953). 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 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	2,765	2,765	2,784	2,784
Administration and central services	1,325	1,325	479	479
Library, computer and other academic support services	3,203	3,716	2,974	3,455
Premises - Other premises costs	1,801	1,526	1,587	1,587
Premises - Refurbishment and maintenance	75	349	222	222
Premises - Utility Costs	1,456	2,465	1,011	1,636
Research grants and contracts	1,608	1,608	1,195	1,195
Residences and catering operations	516	516	458	458
Other including income generating operations	3,402	3,296	2,586	2,493
Development Trust scholarship expenditure and audit fee	455	-	485	-
	16,606	17,566	13,781	14,309

Other operating expenses include:

Audit of these financial statements	52	43	43	35
Amounts receivable by the company's auditor in respect of:				
- Audit of financial statements of subsidiaries of the company	9	-	8	-
- Audit related assurance services	1	1	13	13
- Taxation compliance services	7	7	6	6
Internal auditors' remuneration	35	35	32	32

Operating lease rentals:

Plant and machinery	-	-	-	-
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9. Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'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	-	-	-	-
Repayable wholly or partly in more than 5 years	-	-	-	-
On other items and financing:				
£25m Note Purchase agreement repayable wholly in 2051	598	598	389	389
Other interest costs	-	-	3	3
Pension finance charge	509	509	552	552
Total payable	1,107	1,107	2,198	2,198

10. Taxation

The UK corporation tax charge (credit) is in respect of the University's subsidiary company Cedar Energy. The tax charge in other jurisdictions recognises the tax charges arising from overseas activities.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
UK corporation tax (credit) / charge of 19.0% (2022: 19.0% on surplus for the year)	-	-	-	-
Tax in other jurisdictions	437	437	13	13
Adjustments to UK Corporation tax in respect of prior periods	-	-	-	-
Deferred tax provision	(7)	-	9	-
Tax on Profit/(Loss) on ordinary activities	430	437	22	13

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Profit / (loss) on ordinary activities before taxation	1,675	982	(777)	(636)
Profit / (loss) on non-charitable ordinary activities before taxation	162	-	(53)	-
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 21.01% (2022: 19%)	34	-	(10)	-
Fixed asset differences	-	-	(1)	-
Expenses not deductible for tax purposes	4	-	22	-
Income not chargeable for tax purposes	-	-	-	-
Losses carried back	-	-	-	-
Chargeable gains / (losses)	-	-	-	-
Deferred tax not recognised	(1)	-	2	-
Adjustments to tax charge in respect of previous periods	(44)	-	(4)	-
Capital allowances in excess of depreciation	-	-	-	-
Other short-term timing differences	-	-	-	-
Unrelieved tax losses & other deductions arising in the period	-	-	-	-
Impact of rate change	-	-	-	-
UK corporation tax (credit) / charge	(7)	-	9	-

11. Consolidated Fixed assets

	Freehold Property £'000	Plant and Equipment £'000	Software £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation					
At 1 August 2022	100,650	23,044	-	152	123,846
Impairment <i>(PY reclassification)</i>	(616)	616	-	-	-
Revised at 1 August 2022	100,034	23,660	-	152	123,846
Transfer	-	(1,932)	2,084	(152)	-
Additions	220	2,350	226	-	2,796
Disposals	-	(222)	-	-	(222)
At 31 July 2023	100,254	23,856	2,310	-	126,420
Accumulated depreciation					
At 1 August 2022	22,388	12,473	-	-	34,861
Impairment <i>(PY reclassification)</i>	(616)	616	-	-	-
Revised at 1 August 2022	21,772	13,089	-	-	34,861
Transfer	-	(564)	564	-	-
Charge for the year	2,798	1,369	80	-	4,247
Disposals	-	(167)	-	-	(167)
At 31 July 2023	24,570	13,727	644	-	38,941
Net book value					
At 31 July 2022	78,262	10,571	-	152	88,985
At 31 July 2023	75,684	10,129	1,666	-	87,479
Financed by capital grant	17,029	3,678	-	-	20,707
Other	58,655	6,451	1,666	-	66,772
Net book value at 31 July 2023	75,684	10,129	1,666	-	87,479

During the prior year, fully depreciated University assets totalling £13,084k were impaired and classified under Plant and Equipment, following further review, £616k should have been identified within Freehold property and this has been identified within the reclassification line included above.

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 (2022: £22,652,480) which is not depreciated.

11. University fixed assets

	Freehold Property	Plant and Equipment	Software	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2022	100,650	18,546	-	-	119,196
Impairment (<i>PY reclassification</i>)	(616)	616	-	-	-
Revised at 1 August 2022	100,034	19,162	-	-	119,196
Transfer	-	(2,084)	2,084	-	-
Additions	220	2,350	226	-	2,796
Disposals	-	(222)	-	-	(222)
At 31 July 2023	100,254	19,206	2,310	-	121,770
Accumulated depreciation					
At 1 August 2022	22,388	11,592	-	-	33,980
Impairment (<i>PY reclassification</i>)	(616)	616	-	-	-
Revised at 1 August 2022	21,772	12,208	-	-	33,980
Transfer	-	(564)	564	-	-
Charge for the year	2,798	1,149	80	-	4,027
Disposals	-	(167)	-	-	(167)
At 31 July 2022	24,570	12,626	644	-	37,840
Net book value					
At 31 July 2022	78,262	6,954	-	-	85,216
At 31 July 2023	75,684	6,580	1,666	-	83,930
Financed by capital grant	17,029	3,678	-	-	20,707
Other	58,655	2,902	1,666	-	63,223
Net book value at 31 July 2023	75,684	6,580	1,666	-	83,930

12. Investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Long term asset investments				
Investment in subsidiary company	-	1,000	-	1,000
Quoted securities at market value	1,086	931	1,109	954
Unquoted securities at cost	-	-	-	-
	1,086	1,931	1,109	1,954
Current asset investments				
Short term cash deposits	12,000	12,000	5,000	5,000
Restricted endowment funds	1,019	1,019	987	987
Total investments	14,105	14,950	7,096	7,941
Restricted endowment funds				
UK and Overseas Bonds	153	153	136	136
UK and Overseas Equities	655	655	707	707
Property and Other Funds	168	168	151	151
Cash and cash equivalents	43	43	54	54
	1,019	1,019	1,048	1,048

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 £628k (2022: £539k).

14. Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Farm stocks	1,117	1,117	959	959
Consumables	30	30	55	55
Goods for resale	33	33	30	30
	1,180	1,180	1,044	1,044

15. Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	655	655	868	868
Subsidiary company	-	360	-	322
Other trade receivables	1,026	1,025	1,898	1,889
Prepayments and accrued income	2,064	2,054	1,281	1,248
Other receivables	68	68	70	60
	3,813	4,162	4,117	4,387
Amounts falling due after one year:				
Subsidiary company	-	1,015	-	1,285
	3,813	5,177	4,117	5,672

Harper Adams University has extended a public benefit entity concessionary loan to Cedar Energy Limited of £60k (2022: £300K) payable by October 2023. As at July 2023 £nil (2022: £60k) falls due after one year.

16. Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
OFS loans	60	60	240	240
Other loans	-	-	50	-
Subsidiary company	-	29	-	21
Deferred income	2,463	2,463	3,152	3,152
Taxation and social security	1,222	1,206	487	487
Sundry creditors and accrued expenses	5,703	5,668	3,832	3,800
	9,448	9,426	7,761	7,700

Within Taxation and social security is an accrued tax charge of £1.1m for teaching undertaken by the University outside of the UK. The total figure is being finalised by the relevant professional agencies based on varying cross-border factors associated with the calculation.

Deferred income

Research grants received on account	1,564	1,564	1,390	1,390
Grant income	645	645	662	662
Other income	254	254	1,100	1,100
	2,463	2,463	3,152	3,152

17. Creditors: amounts falling due after one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	11,923	11,923	12,318	12,318
Loans:				
OFS loans	-	-	60	60
Other loans	25,000	25,000	25,000	25,000
Total creditors due after one year	36,923	36,923	37,378	37,378

Other Loans:

Other loans refer to a £25m note purchase agreement for 30 years at a rate of 2.39% with Pacific Life Insurance Company which was agreed in December 2021.

OFS loans repayable as follows:

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

Other loans repayable as follows:

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

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 re-commenced in the 2016/17 financial year extending the loan repayment to 2022/23 financial year.

18. Provision for liabilities

	Year ended 31 July 2023			Year ended 31 July 2022		
	Deferred Tax £000	Other Provision £000	Total £000	Deferred Tax £000	Other Provision £000	Total £000
Consolidated						
As at 1 August 2022	140	759	899	72	766	838
Charge in the year	-	-	-	68	-	68
Released to the SOCI	(7)	(683)	(690)	-	(7)	(7)
As at 31 July 2023	133	76	209	140	759	899
University						
As at 1 August 2022	-	758	758	-	765	765
Charge in the year	-	-	-	-	-	-
Released to the SOCI	-	(683)	(683)	-	(7)	(7)
As at 31 July 2023	-	75	75	-	758	758

Other Provision

Released from within provisions during the year are provisions for overseas tax where the University undertakes teaching overseas. The taxation charges have been agreed consequently a taxation creditor rather than a provision is recognised at 31 July 2023.

Deferred Tax

The deferred tax provision, in relation to the subsidiary Cedar Energy Limited, includes the following:

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Capital gain on disposal	133	140

No deferred tax asset has been recognised by the subsidiary 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	Endowments	Year Ended 2023 Total £'000	Year Ended 2022 Total £'000
	£'000	£'000		
Balances at 1 August 2022				
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
New endowments	-	-	-	-
Investment income	-	-	-	-
New donations	564	-	564	431
(Decrease) / Increase in market value of investments	-	(28)	(28)	(89)
Expenditure	(507)	-	(507)	(472)
As at 31 July 2023	540	1,055	1,595	1,566
Analysis of other restricted funds/donations by type or purpose:			2023 Total £'000	2022 Total £'000
Scholarships and bursaries	540	-	540	483
Capital	-	1,025	1,025	1,025
Accumulated Income	-	30	30	58
	540	1,055	1,595	1,566

University	Donations £'000	Endowments £'000	Year Ended 2023 Total £'000	Year Ended 2022 Total £'000
Balances at 1 August 2022				
Scholarships and bursaries	243	-	243	219
Capital	-	1,025	1,025	1,025
Accumulated Income	-	58	147	147
	243	1,083	1,326	1,391
New endowments	-	-	-	-
Investment income	-	-	-	-
New donations	-	-	-	63
(Decrease) / Increase in market value of investments	-	(28)	(28)	(89)
Expenditure	(21)	-	(21)	(39)
As at 31 July 2023	222	1,055	1,277	1,326
Analysis of other restricted funds/donations by type or purpose:				
	Donations £'000	Endowments £'000	Year Ended 2023 Total £'000	Year Ended 2022 Total £'000
Scholarships and bursaries	222	-	222	243
Endowment Funding Capital	-	1,025	1,025	1,025
Accumulated Income	-	30	30	58
	222	1,055	1,277	1,326

20. Capital and other commitments**Year ended 31 July 2023****Year ended 31 July 2022**

Consolidated £'000	University £'000	Consolidated £'000	University £'000
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Capital commitments

At 31 July 2023, the following amounts had been authorised:
 Authorised and contracted for

- - - -

Operating leases

As at 31 July 2023, Harper Adams University had minimum future lease payments under operating leases expiring between one and five years:
 Plant and machinery

- - - -

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. During the year the University incurred costs of £nil (2022 £7.9k) on behalf of Agri-EPI Centre Limited for whom the university is acting as agent. The University received income of £123k (2022 £111k) 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 £8k (2022 £nil) and owed Agri-EPI Centre £nil (2022 £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 £181k (2022 £104k) and received £12k (2022 £16k). At the balance sheet date, Harper Adams University was owed £37k (2022 £16k) and owed the Students’ Union £nil (2022 £16k).

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 £nil (2022 £2k) and received £2k (2022 £nil). At the balance sheet date, Harper Adams University was owed £nil (2022 £nil).

Harper Adams University works closely with Keele University. Professor Mark Ormerod, Harper Adams University Governor (retired July 2023), is also Deputy Vice-Chancellor at Keele University. During the year the University made payments to Keele University of £1,155k (2022 £909k) and received £532k (2022 £387k). At the balance sheet date, Harper Adams University was owed £47k (2022 £77k) and owed Keele University £nil (2022 £67k).

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 £nil (2022 £88) and received £13k (2022 £13k). At the balance sheet date, Harper Adams University was owed £nil (2022 £nil) and owed The James Hutton Institute £nil (2022 £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) Limited	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-subsi-diary 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 academic staff. Non-academic staff are eligible to join either the Local Government Pension Scheme (LGPS), operated by Shropshire County Council Pension Fund (SCCPF) or the Harper Adams University Group Personal Pension, provided by Scottish Widows. The TPS and LGPS are both defined benefit schemes. The Scottish Widows scheme is a defined contribution scheme.

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Total employer pension contributions for the year		
Local Government Pension Scheme	1,923	3,464
Teachers' Pension Scheme	1,869	1,693
Scottish Widows	450	210
HKVS Staff Pension (administered by Keele University)	174	114
	4,416	5,481

(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 2023 was £1,803,999 of which employer's contributions totalled £1,313,696 and employees' contributions totalled £490,303.

As from April 2023, the agreed contribution rate is 18.2% for employers with no monthly deficit sum as the University made an advance payment of Employer contributions totalling £1,267,348 in April 2023 (£11,483 was paid monthly from April 2022 to March 2023). Employees pay a percentage between 5.5% and 12.5% depending on the individuals pensionable pay.

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 (2022: £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 2023, with comparative figures at 31 July 2022.

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

Principal Actuarial Assumptions

	As at 31 July 2023	As at 31 July 2022
Price inflation (CPI)	2.7%	2.7%
Rate of increase in Salaries	3.95%	3.95%
Rate of increase of Pensions in Payment	2.8%	2.8%
Discount Rate for Liabilities	5.1%	3.5%

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 2023 £'000	As at 31 July 2022 £'000
Retiring today		
Males	21.7	22.9
Females	24.1	25.1
Retiring in 20 years		
Males	23	24.1
Females	25.9	26.7

The assets in the scheme were:

	As at 31 July 2023	As at 31 July 2022	As at 31 July 2021
	£'000	£'000	£'000
Equities	26,675	23,420	24,604
Government bonds	-	-	-
Corporate bonds	8,942	9,576	9,523
Property	1,686	2,134	1,692
Cash	715	992	822
Other	13,081	13,496	11,698
Total	51,099	49,618	48,339

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Scheme assets	51,099	49,618
Scheme liabilities	(51,593)	(63,552)
(Deficit) in the scheme – net pension liability recorded within pension provisions	(494)	(13,934)

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Current service cost	1,910	3,251
Past service costs – McCloud Judgement	-	-
Past service costs – GMP indexation	-	-
Total operating charge	1,910	3,251

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000

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

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Net interest cost	450	507
Administration expenses	58	45
Curtailments	7	194
Net charge to other finance income	515	746

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Total profit and loss charge before deduction for tax	1,825	(799)

Analysis of other comprehensive income:

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Gain on assets	(504)	(31)
Experience gain / (loss) on liabilities	15,056	21,102
Gain / (loss) on liabilities	-	-
Total other comprehensive income before deduction for tax	16,377	20,272

Analysis of movement in surplus/(deficit)

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Deficit at beginning of year	(13,934)	(32,505)
Contributions or benefits paid by the University	1,313	1,497
Current service cost	(1,910)	(3,251)
Past service cost	-	-
Other finance charge	(515)	(746)
(Loss) / Gain recognised in other comprehensive income	14,552	21,071
Deficit at end of year	(494)	(13,934)

Analysis of movement in the present value

	As at 31 July 2023	As at 31 July 2022
	£'000	£'000
Present value of liabilities at the start of the year	63,552	80,844
Current service cost (net of member contributions)	1,910	3,251
Curtailments	7	194
Past service cost	-	-
Interest on pension liabilities	2,206	1,285
Actual member contributions (including notional contributions)	490	500
Actuarial loss/(gain)	(15,056)	(21,102)
Actual benefit payments	(1,516)	(1,420)
Present value of liabilities at the end of the year	51,593	63,552

Fair value of assets at the start of the year	49,618	48,339
Expected return on assets	1,756	778
Actuarial gain / (loss) on assets	(562)	(76)
Actual contributions paid by University	1,313	1,497
Actual member contributions (including notional contributions)	490	500
Actual benefit payments	(1,516)	(1,420)
Fair value of scheme assets at the end of the year	51,099	49,618

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	1,756	778
Asset gain / (loss)	(504)	(31)
	1,252	747

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 £1,868,655 (2022: £1,692,772).

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 2023			Year ended 31 July 2022		
	Staff Costs	Other Costs	Consolidated & University	Staff Costs	Other Costs	Consolidated & University
	£'000	£'000	£'000	£'000	£'000	£'000
Access Investment	225	259	484	281	186	467
Financial Support	-	390	390	-	315	315
Support for Disabled Students	150	47	197	136	32	168
Research & Evaluation	143	-	143	144	-	144
Total Access and Participation Expenditure	517	696	1,213	561	533	1,094

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**

Together  we will make the difference

**Harper Adams University
Newport, Shropshire, TF10 8NB**

**Tel: +44 (0)1952 820820 Fax: (0)1952 814783
Website: www.harper-adams.ac.uk**