

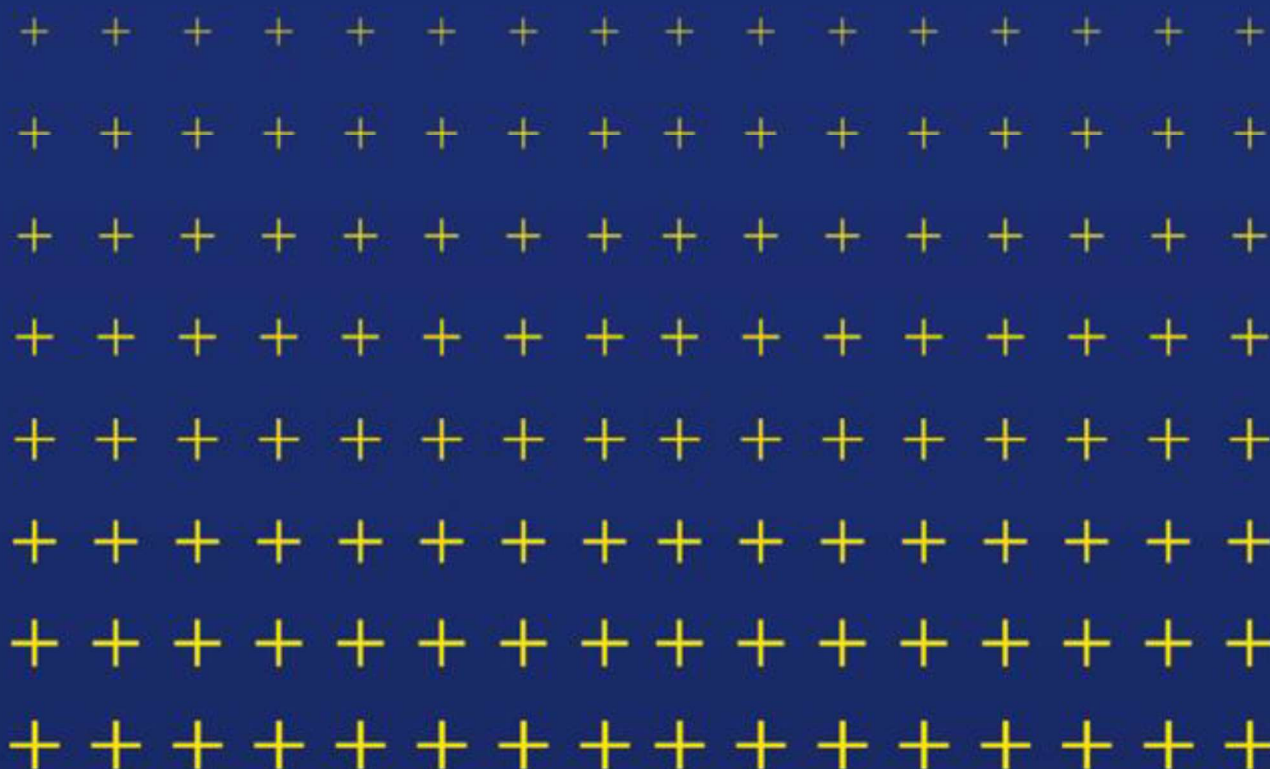


Harper Adams
University

Harper Adams University

Annual Report and Financial Statements

2023/24



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Chief Executive's Report**Introduction**

The Annual Report covers the year we started the rollout of our new Strategic Plan: 'Together, We Will Make the Difference.' The Strategy was co-created with students, employees, governors, alumni, and partners, and is a statement of the ambitions we have for our future. More importantly, it captures the impact and the difference we intend to have on our region, the nation, international communities, and our planet. We started this budget year being named as the Times/Sunday Times Inaugural Specialist University of the Year. This is the first-time specialist universities have been recognised in a category in their right and we were honoured to be named first. League table positions go up and down, and prizes are often won once. As the inaugural awardee, we hold that recognition forever. Once again, we were recognised by students through the WhatUni Student Choice Awards where we received the Outstanding Career Prospects Award for the eighth successive year. Our graduate employability rate remained one of the highest in the country at 97.5% and our students went on to secure excellent jobs in the sectors we support. I am overwhelmed once again by the generosity of our partners and donors, enabling us to increase still further the total value of scholarships awarded. Our students have also continued to excel in national, regional and industry awards and prizes.

This has all taken place in the context of a challenging year financial across the higher education sector. Changes to immigration policy, and the effects on demand for postgraduate study, have contributed to material reductions in the income of over half of the universities in the UK sector. This is in addition to tuition fees being held at almost the same rate they were originally set at in 2012. Universities, including Harper Adams, are having to find ways to deliver more with less, whilst also diversifying the income sources they drawn upon. Income diversity is a genuine opportunity for Harper Adams, but it takes time, and we have needed to invest in the academic, professional, and technical capabilities to realise it. In having a smaller international student population, the in-year effect of immigration changes has not had a material effect on us. It has, however, affected confidence in target markets but we are working hard to ensure we can access the channels to growth that we are targeting. As an institution which is purpose-led and which brings a distinctive offer, we are confident of realising positive results in the medium term. Like other institutions, we will need to navigate the next few years with care but with confidence.

This year's report captures our progress across the purpose and goals captured in our Strategic Plan and follows the headings that are contained within it.

Demonstrating Public Benefit

As a registered charity, Harper Adams University has an established track record of conducting activities that make a difference and that benefit the public. This work has continued and accelerated over the past year. We have followed the higher education sector framework to capture and account for our contribution to public benefit. The following themes provide some examples of these activities as relevant to the established public benefit framework.

Excellence with Impact and Enterprise: Education

The purpose of a Harper Adams education is to prepare our students to be the graduates that industries and other sectors need. We are phasing in our Harper Forward curriculum across all courses which is underpinned by the graduate attributes that our students need to develop to take into the workplace and further study. We are focused on addressing the skills and capabilities needs of our industry partners so that our graduate can contribute to their future prosperity.

In August, we announced our partnership with Telford and Wrekin Council and Telford College, to deliver a state-of-the-art digital skills hub known as The Quad as part of Telford's Station Quarter development. This is a major step as it will be the first time in our 123-year history that we have had a substantive base for teaching, learning and knowledge transfer away from our main campus in Edgmond. We have developed a new suite of courses in Data Science, Digital Business Management, and Robotics, Automation and Mechatronics which will have their first intakes in September 2025. In our first year of operations, we will deliver short courses for industry and extensive outreach activity with schools and colleges, to demonstrate our commitment to having an enterprising impact on our local economy.

The University was awarded Gold in the Teaching Excellence Framework (TEF) for the third time. This recognised the achievements of our students and graduates over the review period and was an acknowledgment of the dedication and commitment of our academics, professional services, and technical services teams. The University was also named as the highest ranked modern (post-92) university in the inaugural Daily Mail league table and was ranked 40th in the Times and Sunday Times Good University Guide.

Harper Adams student, Harry Davies, was named as the 2023 Farmers Weekly Agricultural Student of the Year. Harry was delighted with his win seeing it as "a fantastic way to end four years at Harper." Harper Adams alumnus Stephen Evans was also named as the Farming Life Agricultural Student of the Year 2023. Stephen's work and impact were recognised, and the award came as he started the next stage of his career.

Excellent Research with Impact and Enterprise

Research and knowledge exchange are essential to enabling the University to deliver impact for industry and society. We appointed a new Director of Business Development, Al Dawes, to lead our knowledge transfer activities. Once again, we have increased the number of research grants being submitted, including the value per grant. Our success rates have increased thus the total value of research income is progressing well against our 2030 targets. We have also achieved an increase in the number of papers being accepted and published in reputable journals, and colleagues being invited to speak at leading conferences.

In November, a delegation from Harper Adams headed to the COP 28 UN Climate Change conference in Dubai after the University was granted observer status. The Deputy Vice-Chancellor, Professor Michael Lee, the Chief Global



Impact Officer, Ian Rowley, and colleagues, participated in wide-ranging discussions and parallel sessions to share the University's work in sustainability, food security and the agri-food sector net zero transition. Later in the year, University was recognised as a member of the United Nations Academic Impact network.

Later in the year, Ieuan Evans was recognised as Young Engineer of the Year at LAMMA 2024. The award recognised the innovative design reflected in his Smart Slurry Pump.

The University research also supported a specialist railway services provider, Railscape, to be winners at the 2023 Robotics and Innovation Awards for their work in an Unmanned Precision Aerial Sprayer. Simon Cooper from Engineering played a lead role in testing the new drone on site and researching its reliability and variability of performance. Managing the growth and impact of plants and weeds along railway tracks is an endemic challenge requiring innovative solutions like this drone.

We launched a new Collaborative Simulation Lab to integrate Participatory Design and Multiphysics Simulation. Led by a new appointee, Dr Marcelo Precoppe, its mission is to revolutionise technology development by involving end users across the agri-food and sustainability systems in the design process. This will ensure that physical prototypes are better able to address the needs and requirements of end users, thus supporting their adoption in industry and in practice.

Inclusion

For a university to have an impact across society, it must have an interest in who benefits. This is undoubtedly so for Harper Adams where we are working to increase the diversity of those who can benefit from our education and identifying solutions to ensure that the broadest population has access to safe, quality, sustainably produced food. This is something that drives all colleagues who work here or volunteer as governors.

We have continued to embed our Respect Policy through an action plan and will continue to do this every year as the population grows and diversifies. Ensuring that everyone feels a sense of belonging is a vital underpin of enabling everyone to excel and fulfil their potential. As a gay man I have experienced environments where belonging and being one's authentic self cannot be taken for granted. Ensuring everyone not only is said to belong, but also feels like they do belong, is an enduring priority for the University,

A Harper researcher, Liz Tree, completed a study on the impact of the charity Farms for City Children on the young people who benefited from its work. The charity was founded by Sir Michael and Lady Morpurgo to provide opportunities for disadvantaged city-based children to experience real life on the farm. The study confirmed the transformational impact of the charity's work on young people and the long-term residual effects of their rural experiences. The University has a close partnership with the charity which continues beyond this work.

Our Chancellor, Her Royal Highness The Princess Royal, was delighted to confer Honorary Doctorates to both Sir Michael and Lady Claire Morpurgo in recognition of their work in

establishing Farms for City Children and the extensive impact it has had on many children and their families.

The University was honoured to receive a £750,000 philanthropic gift from the Kildare trust to support students each year from two West Midlands counties to secure scholarships. The gift also enables scholarships to be secured for all types of education offered at Harper Adams: undergraduate, postgraduate and apprenticeships. The Kildare Trust has already supported more than 50 Harper students from Herefordshire and Worcestershire since 2012 and this generous gift extends the reach of that support into the years ahead.

The year ended with the submission of our Access and Participation Plan to the Office for Students (OfS). The OfS will consider and approve our in the new budget year and we will then focus on implementation alongside evaluation of impact.

Community

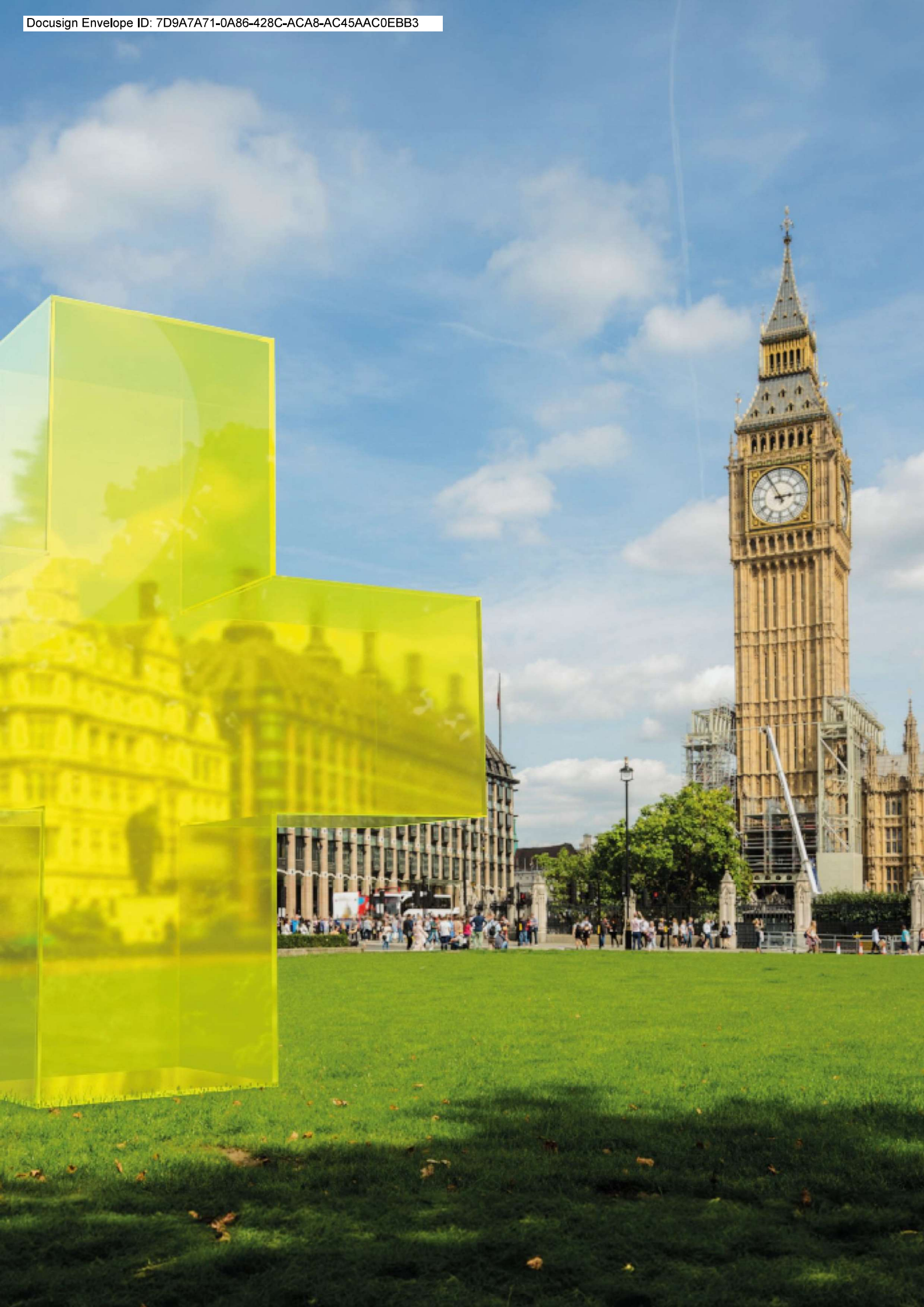
The University continues to build the sense of community among its members, but also opens the door increasingly widely to members of our local, national, international and alumni communities so they can experience and understand what we do and how it benefits them.

The University held its first 'Harper Together' event, bringing employees from across the institution to explore themes arising from the University Strategy, to present our inaugural 'Make the Difference' employee recognition awards, and to celebrate the talents that we have across our university. We also presented an Honorary DSc to Margaret Boanas, Past Master of the Worshipful Company of Butchers.

We were delighted with the news that Dr Catherine Baxter was appointed Member of the Order of the British Empire in the New Year Honours 2024 list. Dr Baxter had an extensive career in higher education and played a pivotal role in the University securing university status in 2012. This recognition was welcomed widely across the University and its alumni community.

In January, the University launched a Community Fridge to provide a place where food from supermarkets, suppliers, or homes, which would otherwise have gone to waste, to be redistributed to people in our community who need it and can benefit from it. The refrigerator, freezer and supporting technology were paid for from the fund that the Vice-Chancellor established in the Development Trust to support community need and those facing hardship. The project is led by Dr Ioana Huang and is supported by an extensive network of employee and student volunteers. By the end of the budget year, almost ten tonnes of food had been saved from landfill and redistributed to homes.

The University held its inaugural Future Fest- a community focused event to share the knowledge, insights, activities, and excitement that are an integral part of the University and what it does. Michael Pinsky's Pollution Pods served as a central and provocative feature, with over 350 young people experiencing a tour of the Pods. Future Fest saw Harper academics sharing and demonstrating their work through interactive conversations, demonstrations, and



events. Visitors were also able to tour the future Farm and benefit from a farmers' market and an on-campus food offer. We were delighted to have the support of Oscar Meyer as a sponsor and partner.

Globally Connected

I was delighted to travel to China to visit Beijing Agricultural University (BAU) to celebrate the 20th anniversary of our joint programme with them. Each year, students from BAU travel to Harper Adams for their final year, with Harper colleagues teaching them in earlier years when they are studying in China. This has been a groundbreaking, long term partnership which has secured a deep relationship between both institutions.

Later in the year, six final year Masters Engineering students travelled to Mississippi State University (MSU) to launch a series of two-way visits focused on autonomous agriculture. The MSU students then completed a return visit to Harper Adams in July. The visit led to an acceleration of understanding on the synergies and differences between the USA and the UK in developing autonomous systems, but secured friendships across these influential academic and student communities.

The University was delighted to be the next global stop for Michael Pinsky's influential and confronting art installation, Pollution Pods. One of its most recent installations was at COP28 so we were delighted to see it erected in front of the main building. It served as a stark reminder of the consequences of not tackling the global sustainability crisis, a key priority for the University.

We were delighted to welcome students from across Africa as part of the Marshal Papworth Sustainable Agriculture Programme. The Marshal Papworth Fund provides scholarships for students to come to the UK for ten weeks, undertaking practical learning and knowledge exchange in farms and companies across the country. They also develop deep connections to the University and its local communities, as well as the employees and trustees of the charity. The benefit to their countries and communities is that they take their knowledge and insight and share with hundreds of people who need to learn new skills.

Influence

The University was delighted to welcome the Environment, Farming and Rural Affairs Select Committee to the campus. Its members spent half a day getting to know the University's work and meeting its employees and students. It then held a live, broadcast evidence session where I was one of the people providing evidence. This is one of the first times a select committee has held a broadcast session outside of the Parliamentary Estate.

The University launched a joint report with its partners in the School of Sustainable Food and Farming focused on the untapped potential of the UK's agrifood sector and the need for the government to invest in ways to ensure that the skills needed are available. The report highlighted the significant challenge of ensuring there is a balance between using natural resources to feed the population, and the need to ensure that we deliver liveable, environmentally sustainable

habitats. The report was launched at both the Conservative Party and Labour Party main conferences.

We were delighted to welcome Baroness Lane-Fox to campus in her role as President of the British Chambers of Commerce. The visit was one part of a factfinding mission to Shropshire by Baroness Lane-Fox to understand how businesses were launching, growing, and thriving in the County, and to better understand the University's role in it.

The University launched the work of its inaugural Harper Commission, established to examine a challenging socio-scientific issue, and to mobilise a panel of experts to consider it. The inaugural Harper Commission is on the role of that food could play in securing societal prosperity and economic growth, with initial attention given to the impact of the exponential rise in the number of foodbank users across the UK. This trend has also been witnessed in other western countries. This Commission, the membership of which is deliberately multi-generational, will convene and work together over the coming years, tracking the progress of how the government and industry responds to the nation's food-related challenges, making data-informed recommendations to government, when necessary, as well as working with and through partners to establish pilots to test out emerging assumptions and identify potential new interventions. Its enduring focus will be on ensuring that the emerging generation of young people are fuelled by nutritious, sustainable food, to enable them to reach their full potential and to for society and its communities to thrive. It is being co-chaired by Judith Batchelar MBE and Viki Cooke. Given the topic, it is even more positive that the University awarded an Honorary Degree to Henry Dimbleby, author of the National Food Strategy. This was presented at the University's annual Scholarships and Awards ceremony where we also confirmed that a record-breaking value of scholarships was being awarded.

Sustainability

The School of Sustainable Food and Farming (SSFF) continues to have a significant impact on the agri-food sector and its transition to net zero through its founding partnerships with Morrisons, McDonalds, and the National Farmers Union. The partnership expanded last year through the Tesco-funded Future Farmers Programme. This year, M&S launched its new Farm of the Future Programme to support livestock farmers to rapidly decarbonise. The Programme will span seven years and will work across seven of the M&S Select Farms to identify and implement practical, on-farm solutions, test their effectiveness and then share the results across other farms.

SSFF also launched the Sustainable Farm Network bringing together a diverse range of UK farm networks to share practice, innovations, and learnings on their journey to deliver net zero farming. The Landex Network of teaching farms is a founding member of the network with the number of organisations coming on board increasing every month. We are delighted that the network is chaired by Professor John Gilliland OBE.

We were delighted to welcome Professor David Rose as the new Elizabeth Creak Chair in Sustainable Agriculture Systems. The University has benefited from the generosity of the Elizabeth Creak Charitable Trust over many years.



This latest co-funded professorship accelerates the work we can do on sustainability in agriculture, including embedding the contribution that the social sciences have for our understanding of human behaviour and adoption of innovative technologies.

We planted two pairs of black poplars on campus as part of a collaborative project with Chester Zoo to reintroduce rare trees back into the UK. The trees are one of only thirty native UK species, the number of which has been affected significantly by climate change and the impact of pests and other species.

Our ability to thrive necessitates securing an income and contribution base that covers our costs and provides scope for investment. The University is actively pursuing new income sources through increasing its postgraduate and professional development opportunities, securing new sources of research and philanthropic income, increasing the size of its international student population, and identifying opportunities for industry collaborations and the development of digital education. Inflation has borne down hard on our financial position, but we navigated it carefully. In the period ahead we prioritise realising our income diversification and growth ambitions.

At the time of writing, we are one month into the new Labour Government. There is an acknowledgment of the scale of challenge in higher education funding alongside an ambition for universities and institutions to have a greater impact on economic growth and social prosperity. How these are addressed is a challenge of our age but Harper Adams University is ready to make a significant contribution in our areas of focus.

A university is nothing without its people and its communities. They are distinctive strength of Harper Adams. I have benefited from the support and counsel of a committed governing body. I am grateful to those who continue to serve and those whose terms of office have ended this year. I acknowledge and thank Mr Peter Nixon, the outgoing Chair. His compassionate, incisive, and sensitive chairing has been pivotal to my settling into this role, and to the effectiveness of our board of governors. The University is grateful for his service.

Professor Ken Sloan

Professor Ken Sloan
Vice-Chancellor and Chief Executive
26 November 2024

The Year in Numbers

No. 1
in the UK for job prospects

WhatUni Student Choice Awards, 2016, 2017,
2018, 2019, 2020, 2022, 2023, 2024
(There was no award in this
category 2021)

No. 1

in the UK for agriculture and
forestry employer reputation

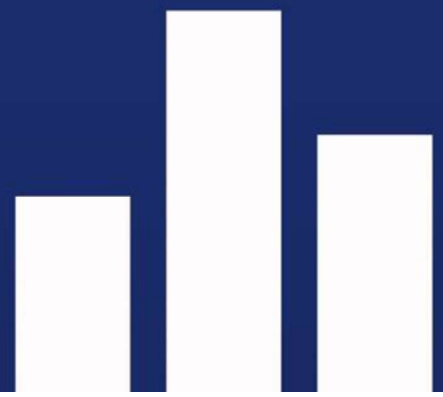
QS World University Rankings,
2024

97.5%
graduate employment*

Graduate Outcomes, 2024
*full-time, first degree students
in employment or further study

148 students were awarded
178 scholarships totaling

£600,000



Financial Highlights**For the Year Ended 31 July 2024**

	2023/24	2022/23	
Consolidated Statement of Comprehensive Income	£'000	£'000	Change
Tuition fees	21,979	21,992	(0%)
Funding Council Grants	15,913	14,340	11%
Research Grants and Contracts	4,774	3,279	46%
Other Operating and Investment Income	12,420	11,598	7%
Donations and Endowments	1,260	566	123%
Total Income	56,346	51,775	9%
Surplus / (Deficit) for the year	850	1,245	(32%)
Surplus / (Deficit) for the Financial Year	850	1,245	(32%)

	2023/24	2022/23	
Consolidated Statement of Financial Position	£'000	£'000	Change
Fixed Assets (incl Biological Assets)	87,111	88,107	
Investments	1,230	1,086	
Net Current Assets	33,916	32,574	
	122,257	121,767	0%
Long Term Creditors and Provisions	(36,939)	(37,626)	2%
Total Net Assets	85,318	84,141	1%

	2023/24	2022/23	
	£'000	£'000	Change
Capital Expenditure in Year	4,198	2,796	50%
Net Cash inflow from Operating Activities	5,271	7,728	(32%)

Strategic Review

The University has managed its resources carefully balancing the increasing costs as a result of inflation against fixed fees for undergraduate home students which is 85% of the University's tuition income and 33% of total income. Overall, a surplus is reported of £850k (Surplus 2022/23: £1,245k). 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 continued to benefit from £5.9m of specialist funding. These grants enable the University to continue to invest to prioritise student experience and academic excellence.

The University welcomed 680 new undergraduates including 74 to the vet school at the Harper Adams campus for the 2023/24 academic year. Apprentice routes to both degree and taught postgraduate was strong with a further 60 commencing their studies in 2023/24. New Research and knowledge exchange contract activity have continued to increase with significant growth of 45% 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.

Conferencing team have continued to host events with 25% growth seen year on year. Whilst farm revenues fell due to market pricing. The overall 2023/24 results show income at a similar to 2022-23 whilst there has been an increase in costs as activity increased.

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. University cash reserves are intended to fund investment in key 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 2023/24 this was 9.3% a decrease on 2022/23 at 14.9%.

Scope of Financial Statements

The financial statements for the year ended 31 July 2024 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

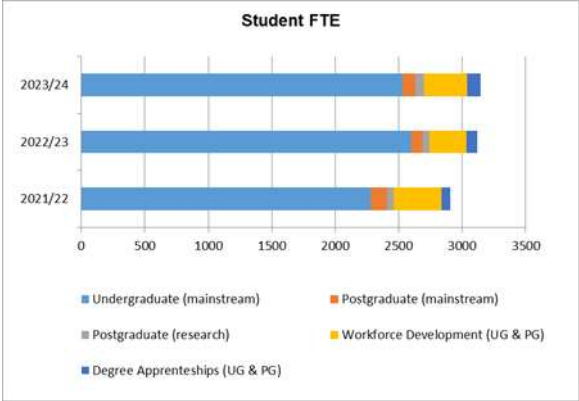
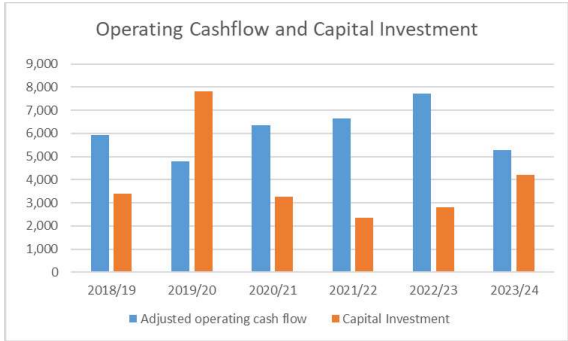
The University group report a surplus of £0.85m after taxation and actuarial charges (2022/23 £1.2m).

Income has increased in comparison to 2022/23. The fourth cohort of vet school students were welcomed at the beginning of the academic year with an intake of 148 students (2022/23 -136 students), 50% attributed to the University equivalent to £5m.

Key Financial Ratios as a % of income	2023/24	2022/23
Operating Surplus / (Deficit)	1.2%	3.0%
Surplus / (Deficit)	1.5%	2.4%
Staff Costs	54.3%	54.6%
Operating Cash	9.4%	14.9%
	£'000	£'000
EBITDA	6,466	6,893
Operating Cash Generated	5,271	7,728

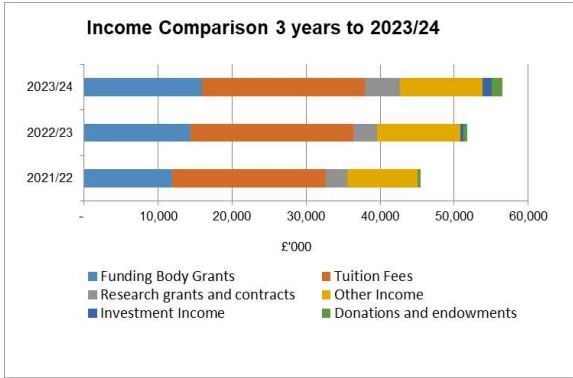
The University group has a number of key performance indicators that it monitors as part of its financial strategy. Performance over the last two years shows:

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 £4.7m, in comparison with the 2022/23, with growth across all operational areas.



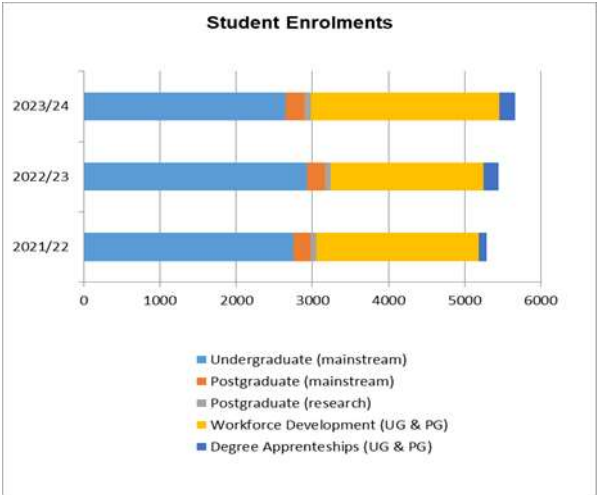
Increase in tuition grants, investment income and donations together with strong growth in research & contract income of 45% year on year.

The University was awarded £500k HEIF grant (2022-23; £550k) 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, whilst Harper Keele vet school accepted its fourth cohort of 148 students, with 50% attributed to Harper Adams University.

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 (2022/23: £4.8m), and projects in the year generating income of £4.8m (2022/23: £3.28m). 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.

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 accommodation is offered primarily to first year and international students.

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

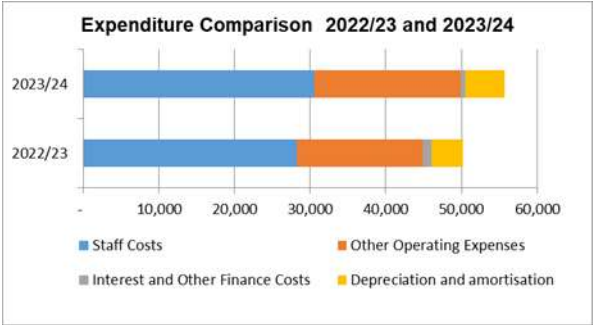
Capital developments and investment during the financial year

University capital investments amounted to £3.3m, of which £0.5m which was made in the Farm and £0.7 m on renewal and upgrading of digital infrastructure to enhance services across the University.

Investment of £282k was made in community, staff and student events. Futurefest was held as a Community event that linked with a University Open Day where environmental awareness was raised through the installation of Pollution Pods for 2-3 weeks. Two staff conference days were held in the year with guest speakers and the facilities available on Graduation day in September were extended.

Expenditure

Inflationary pressures have continued to increase 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 £30.6m equivalent to 54.1% of income. This includes 50% of joint vet school related costs which have increased in the year from £1.21m to £1.94m.

In April Teachers pension scheme contributory rates were increased again for employers by 5% of pay costs increasing employer contributions to 28.7% of academic pay equivalent to £550k It was only in September 2019 contributions were increased from 16.3% to 23.68% increasing pay costs for a year by year by £500k. The University is statutorily 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 2024 an estimate of the

annual cash contributions was made and LGPS employer contributions were paid 12 months in advance in order to secure a 2.3% discount on contributions.

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 updated actuarial valuation created a pension credit of £104k, reducing staff costs by £106k (2022/23 charge of £1.2m) including interest.

LGPS pension costs for support staff recognise the annual costs of pension deficits as estimated by actuarial valuations, for the first time reducing staff costs by £106k (2022/23: Charge of £698k) and £2k (2022/23: £509k) 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.

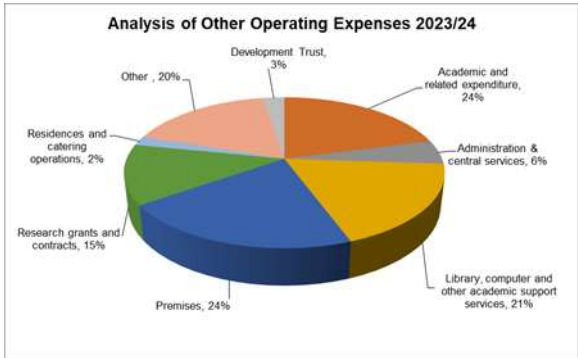
However, issues arose as the SERPS benefit being replicated by GMPs lead to inequality for men and women. For example, SERPS benefits become payable to men and women at different ages (65 and 60 respectively) thus the rate at which the benefit is accrued differs.

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.

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 2023/24 the University invested 51% 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 2024/25 the University is projected to invest 64% of available funds to provide apprenticeships to 14 employees. Apprenticeship posts continue to be promoted across the University.

In 2023/24 interest comprised only of fixed interest cost of £597k for the £25m loan notes issued at a fixed rate of 2.39% in December 2021 and actuarial pension charges of £2k.



Other operating expenses increased by £2.7m, in the period, to £19.3m from £16.6m in 2022/23. 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 £1.67m in the year (2022/23 £885k) following the vet school accepting its fourth cohort of students.

Taxation

The University has partnered with a Chinese university for a number of years where their students undertake two years study in China and then either one year on campus in the UK. As agreed under the collaboration arrangements Harper Adams University staff deliver lectures in China. The Chinese authorities 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 were agreed in 2023-24. The charges agreed have resulted in a liability of £1.1m for the 10-year period that have been paid in the year. Returns are now required on a monthly basis for VAT and corporation tax.

Cedar Energy

The University has assessed the company's business plans 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 Group held a combined total of £37m 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 held £12m in 12-month fixed rate deposits throughout the year together with funds in shorter period deposit accounts, total interest receivable totals £1.217m (2022/23 £406k).

Pensions

LGPS pension liabilities reduced significantly in the year with the updated actuarial valuation assessing the University's past service share of scheme to have moved to an asset position of £2m. An asset in a multi-employer DB scheme will not be receivable by the University consequently an asset cap to nil is applied to the valuation. A current service liability of £4k is recognised separately within the valuation and this balance is recognised as a liability in the year (22-23 £495k). The key factor within the valuation is the 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 increased again by 21% April from 2024 to an overall employer contribution rate of 28.7%.

Principal Risks and Uncertainties

The principal risks and uncertainties in the higher education sector are wide-ranging and continuously evolving. The University continues to remain vigilant and responsive to both immediate risks and long-term challenges.

The University's Risk Analysis and Action Plan 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, which are discussed throughout the reports within these financial statements. The Plan includes mapping that illustrates how the Risk Analysis and Action Plan (RAAP) supports the strategic objectives of the University.

A proactive and well-structured approach to risk management not only helps safeguard the institution's financial health and reputation but also supports its long-term strategic goals.

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.

The vet school has accepted a larger than anticipated intake of undergraduates in each of the first five 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% over the past 2 years, 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 be enable the linking of research, knowledge exchange and teaching. The University's unique academic group of Agri-economists

Whilst the University targets growth, the efficiency of processes and systems continues to be developed across the University. This will enable increased numbers of students to be supported, more research grants can be managed, and employer engagement coordinated. Processes are reviewed, refined and automated to improve student and staff

experience and to maximise resources that are invested in academic activities.

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

With home undergraduate fees frozen to at least 2024/25 the University is identifying alternate markets where fees are not so constrained building on the University's strong credentials in delivery of CPD and professional courses. This is essential as we continue to experience high levels of inflation across the University and also anticipate further increases in employments 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



Mr Dominic Wong
Chair of Governors
26 November 2024



Mrs Liz Furey
Chief Financial Officer
26 November 2024

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 3,611MWh 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 2024 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.
- Investment in energy efficient lighting schemes and a targeted improvement to some areas of double glazing were 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 2023/24 & 2022/23)

Energy (kWh)			Emissions (tCO ₂ e)			
Energy Source	2023/24	2022/23	2023/24	2022/23		
Mandatory energy use & emissions:						
Scope 1						
Natural Gas	7,435,855	8,318,877	1,323.89	1,518.69		
Transport – company owned vehicles	152,299	186,198	40.5	48.7		
			Location-based	Market-based ¹	Location-based	Market-based ²
Scope 2						
Purchased Electricity	3,611,438	3,362,672	737.3	0	650.27	0
Scope 3						
Transport – Business travel - employee owned vehicles & contracted hire cars	181,593	181,593	43.08	43.08		
Total gross energy & emissions: (Mandatory)	11,381,185	12,049,340	2,144.77	2,260.74		
Intensity Ratios						
Tonnes of CO ₂ e per student			0.38	0.42		
Tonnes of CO ₂ e per student and FTE staff			0.34	0.37		
Voluntary energy use & emissions						
Scope 1						
Biomass	808,354	1,083,062	9.15 ³	16.73 ³		
LPG & Kerosene	26,066	60,657	5.1	13.0		
Generated electricity consumed on site ⁴	538,142	561,196	0	0		
Total gross energy & emissions (Voluntary)	1,372,562	1,704,915	14.25	29.73		
Total gross energy & emissions (Mandatory & voluntary)	12,753,747	13,754,255	2,159.02	2,290.48		

¹ Zero emissions resulting from purchase of clean energy renewables, backed by Renewable Energy Guarantee of Origin certified supplies (consecutive certificate periods 04/2022 – 03/23 & 04/2023 – 03/24). 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 04/2022 – 03/23 & 04/2023 – 03/24). 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	1,867	7,214	1.49	1.49
Scope 2				
Net electricity consumption	3,609,571	3,355,458	735.81	648.78
Total net energy & emissions (Mandatory & voluntary)	12,751,880	13,747,041	2,157.53	2,288.99
Out of scopes				
Biomass	808,354	1,083,062	282.92	379.00
			<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 2024 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 using 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 its supplementary public benefit guidance.

Our key objectives during 2023/24, were to continue to embed the University strategic 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.

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 Companies Act 2006 and the University's Memorandum and Articles of Association, the Board of Governors is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors (the Governors of which are also the directors of the University for the purposes of company law) is responsible for preparing the Strategic Report and Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board of Governors to prepare financial statements for each financial year. Under that law, the Board of Governors is required to prepare the financial

statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, the Board of Governors is required to prepare the financial statements in accordance with the Office for Student ('OfS') Accounts Direction (issued October 2019), the OfS Terms and conditions of funding for higher education institutions (issued July 2023) and the terms and conditions of its the funding agreement with UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education through its accountable officer. Under company law, the Board of Governors 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 University and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University and the Group for that year.

In preparing the financial statements, the Board of Governors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the **Group** will continue in business.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the OfS Terms and conditions of funding for higher education institutions (issued July 2023), the Statement of Recommended Practice - Accounting for Further and Higher Education, 2019 Edition, the OfS Regulatory Advice 9: Accounts Direction (issued October 2019) and the Companies Act 2006. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of Board of Governors has taken reasonable steps to:

- ensure that Funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation; and
- ensure that funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department of Education have been applied in accordance with the OfS

Terms and conditions of funding for higher education institutions (issued July 2023), any requirements of the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department of Education, and any other terms and conditions attached to them,

- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;
- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
- ensure an effective framework – overseen by the University's Board of Governors, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS' assessment of the University's risks specifically in relation to these funding purposes.

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 United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Governors confirm that:

- so far as each Board member is aware, there is no relevant audit information of the University's auditor is unaware; and
- the Board members have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Qualifying Third Party Indemnity Provisions

Harper Adams University maintains liability insurance for its Officers. The University has also granted indemnities to the extent permitted by law to each of the key Officers, the Board of Governors and Company Secretary and a number of other executives and senior managers.

These indemnities are uncapped in amount in relation to certain losses and liabilities which they may incur to third parties in the course of acting as a Officer of the University or any of its associated companies. Neither the indemnity, nor insurance cover provides cover in the event a Officer is proved to have acted fraudulently or dishonestly. The indemnity is categorised as a 'qualifying third-party indemnity' for the purposes of the Companies Act 2006 and will continue in force for the benefit of Officers on an ongoing basis.

Section 172 Statement

In accordance with Section 172 of the Companies Act 2006, the Board of Governors confirm that in performing their duties during the year ended 31 July 2024, they have acted in good faith to promote the success of the University, considering the long-term impact of decisions on the institution, its stakeholders, and wider community.

In particular, the Board has taken into account:

- **The interests of students, staff, and other stakeholders:** The University has focused on enhancing the student experience and supporting staff well-being. Regular consultations have been held with student representatives and staff unions to ensure their concerns and aspirations are addressed in the University's decision-making processes.
- **The importance of maintaining high academic and research standards:** The University has invested in new learning resources, campus infrastructure, and research initiatives to ensure continued academic excellence and maintain its reputation as a leading institution in the agricultural sciences.
- **Long-term strategic goals:** The Board has overseen the development and implementation of the University's long-term strategic plan, aiming for sustainable growth, innovation in education, and financial stability.
- **Community and environmental responsibilities:** Harper Adams University remains committed to environmental sustainability and has integrated green policies into campus operations. Initiatives to reduce carbon emissions, enhance biodiversity, and promote sustainable practices have been expanded.

The Board believes that these actions have positively contributed to the long-term success and sustainability of the University, while fostering a collaborative and inclusive environment for all stakeholders. Additional supporting information can be found within the Chief Executives Report and the Strategic Review.

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 in accordance with Section 489 of the Companies Act 2006.

Corporate Governance Statement

General Principles

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

The University changed its legal status from that of an unincorporated organisation established by Trust deed to that of a Company Limited by Guarantee with effect from 1 August 2012. The University retained its status as a Registered Charity in its new legal form. It is established as a higher education institution under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its latest objects, powers and framework of governance are set out in the Articles of Association approved by the Privy Council in 2012 and as amended from time to time. The Privy Council conferred its approval for the award of University Title to Harper Adams University on 7 December 2012. The University secured Privy Council permission in 2020/21 for the Board of Governors to make changes as permitted under HERA 2017.

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

The Governing Body and Academic Board

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

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

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

The Board of Governors has adopted a statement of primary responsibilities in which the major activities it covers are described in further detail. The Board of Governors has also overseen the development of key performance indicators throughout 2023/24, against which it will monitor the performance of the University against its strategic priorities.

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 several 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 mapping 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 comprehensive 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 several assessments of the Board's performance. During 2021/22 the Governance Review Group, considering independent external advice, focused on the triennial major review of the effectiveness of the governing body. The recommendations identified for action were completed through 2022/23, including confirming revised arrangements for the appraisal of the Vice-Chancellor and other senior staff to consider the updated CUC HE Senior Staff Remuneration Code; developing KPIs to measure progress against the Strategic Plan for the period to 2030; ; encouraging the Students' Union President to report to the Students' Union Executive and Trustee Board on their work as a Governor and the wider work of the Board; encouraging staff observers of Board Meetings to provide feedback on the experience and offer suggestions for improvements; to facilitate opportunities for members of the Board to meet with staff and students. Considerations for the next review of Board effectiveness include the recommendation to include feedback from staff and external observers of meetings, and/or 1:1 discussions with members. 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. In 2020/21 internal auditors have audited University compliance with the revised CUC Code of Governance published in September 2020, and the University's governance arrangements in relation to risk management and transformation and digital governance will be the subject of further internal audit in 2024/25.

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 overseen the institution's financial statements since that date.

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. Following a comprehensive internal governance review in November 2023, the Board agreed the constitution of the following sub-committees: the Audit and Risk Management Committee, Finance, People and Resources Committee, the Governance and, Nominations Committee and Remuneration Committee. The decisions of these committees are formally reported to the governing body.

Membership of these committees consists of independent and co-opted members of the governing body. Co-opted student and staff members may also serve on some 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, People & Resources 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 also includes 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 and agreed to include a standing item on each agenda to remind members that they may meet with auditors privately or have a members' only discussion, to enhance the current arrangements or 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, People & Resources Committee, and to utilise the updated CUC checklist for evaluating the performance of auditors. Following the internal governance review approved by the Board in November 2023, the Audit & Risk Management Committee has taken overall oversight of the Health & Safety Strategy Group.

The Audit and Risk Management Committee has conducted its effectiveness, as it does annually and has reported to the Board on its findings. The 2023/24 review was positive overall.

The Finance, People & Resources 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. Following the comprehensive internal governance review in 2023, the Finance, People & Resources Committee has also absorbed the functions previously overseen by the Farm Strategy Committee and the Staffing Committee, including the development and implementation of the University's HR Strategy.

The Governance & Nominations Committee considers nominations for vacancies in the Board of Governors' membership in accordance with the University's Articles of Association and oversees the management of governance reviews and associated business. 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 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 some minor changes to its work, agreed by the Board following 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 recommend 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 2023/24 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 2024. 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 2024 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 2023/24 and ongoing updates will be presented to the Board throughout 2024/25.

The internal audit reports completed during 2023/24 confirmed substantial assurance in two areas, and reasonable assurance in three areas. The annual follow-up on completion of previous audit related actions confirmed reasonable progress for 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 2023 meeting, the Board of Governors carried out the annual assessment of the Audit & Risk Management Committee's activities for the year ended 31 July 2023 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. 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 2023/24 included the risk mitigation procedures undertaken in the areas covered by the reviews conducted as part of the 2023/24 internal audit plan. Internal audit work focused on the Statutory UUK Student Housing audit, Data Quality (B3 Conditions), Key Financial Controls (including Payroll and HR functions), Agriculture & Environment Academic Department Review (including procurement) and L Student Recruitment and CMA compliance. 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 2024/25, alongside the embedding of new internal audit provision, following an extensive tender exercise. .

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 2023/24 . With support from the newly created Respect Committee, it 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 Strategy Group, comprising staff representatives, oversees a full programme of work in this area, including legislative developments and an audit programme, ultimately reporting up to the Audit & Risk Management Committee in line with governance arrangement changes embedded through 2023/24.

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 2023/24 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. 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 2023/24
(and up to the date of this report)**

Details of membership including changes to membership that took place during 2023/24 and up to the date of this report are set out below as follows:

Members who retired from the Board during 2023/24

E Mace (July 2024)
K Greetham (July 2024)
E Folkes (July 2024)

Members who continued their membership of the Board during 2023/24

P Nixon (Chair)
D Wong (Vice-Chair)
M Griffiths
D Hewett nee Winstanley
Y Hawkins
R Payne
J Reade
T Sheikh
B Shipston
E Salter
K Sloan (Vice-Chancellor)
U Uhunmwangho
T Watson
T Klages
B Bray
C Beer

Members who joined the Board during 2023/24

C Ennew (September 2023)
A Allden (September 2023)
T Jitesh (November 2023)
D Douglas (SU President from July 2024)

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 26 November 2024.



Mrs Kate S Baker

Clerk to the Governors

For and behalf of the Board of Governors

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 2024, which comprise the Consolidated 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 2024 and of the group's and the parent University's surplus, and their 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
- 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 or 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 the cost of living crisis, 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 report of the Governors, 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 review and the report of the Governors 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the Governors included in the annual report.

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

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 the OfS Terms and Conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them; 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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, has been materially misstated.

Responsibilities of Governing body

As explained more fully in the Statement of financial responsibilities, 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 intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, the Companies Act 2006, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices, The Higher Education Code of Governance and The Data protection Act 2018;
- We understood how the University and group 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 relevant committee minutes and through our legal and professional expenses review;

- We assessed the susceptibility of the University and group'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 unusual journals with specific risk characteristics and large value journals.
 - Review of business register of interest and the general ledger for any undisclosed related party transactions
 - Inspecting the Governing Body 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
- 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 University including:
 - the provisions of the applicable legislation
 - guidance issued by the OfS.
- 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 and group'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 and group's control environment, including: the policies and procedures implemented by the group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
 - the policies and procedures implemented by the group 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 formed.

Jim McLarnon

Jim McLarnon ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

Date: 6/12/2024

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. Where appropriate associated finance and staffing expenditure in relation to specific capital purchases would be included in the total capitalised cost value accordingly.

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 – 15 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 estimated selling price less costs to complete and sell. 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. Further information is provided in note 11.

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 2022 has been used by the actuary in valuing the pensions liability at 31 July 2024. 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.

For the year ending 31st July 2024, the University's share of the Local Government Pension Scheme is reported to be a surplus position. Management have reviewed the appropriate accounting standard, being FRS102 section 28 and HE SORP, and do not consider the asset to be recoverable, therefore no asset has been disclosed. This conclusion has been reached after assessing the present value of the future accounting service costs, taking into account the asset ceiling, in comparison to the reported surplus. Further information is provided in note 25.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 31 July 2024

		Year ended 31 July 2024		Year ended 31 July 2023	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees	1	21,979	21,979	21,992	21,992
Funding council grants	2	15,913	15,913	14,340	14,340
Research grants and contracts	3	4,774	4,774	3,279	3,279
Other operating income	4	11,203	11,771	11,192	11,698
Investment income	5	1,217	1,209	406	401
Total income before endowments and donations		55,086	55,646	51,209	51,710
Donations and endowments	6	1,260	1,395	566	549
Total income		56,346	57,041	51,775	52,259
Expenditure					
Staff costs before LGPS pension service cost	7	30,691	30,691	27,578	27,578
(Decrease) / increase in Staff LGPS pension service cost	7	(106)	(106)	698	698
Depreciation and Amortisation	11	5,197	4,924	4,247	4,027
Other operating expenses	8	19,295	20,344	16,606	17,566
Interest and other finance costs (excl. LGPS interest)	9	598	598	598	598
Interest and other finance costs (LGPS only)		2	2	509	509
Total expenditure		55,677	56,453	50,236	50,976
Surplus before other gains and losses		669	588	1,539	1,283
Gain on disposal of fixed assets	11	14	14	51	51
Gain on investments and endowments	12	270	270	85	85
Surplus before taxation		953	872	1,675	1,419
Taxation (charge)	10	(103)	(128)	(430)	(437)
Surplus for the year		850	744	1,245	982
Actuarial gain in respect of pension schemes	25	387	387	14,552	14,552
Total comprehensive income and expenditure for the year		1,237	1,131	15,797	15,534
Represented by:					
Restricted endowment income for the year		98	98	(28)	(28)
Restricted comprehensive income for the year		750	750	57	(21)
Unrestricted comprehensive income for the year		389	283	15,768	15,583
		1,237	1,131	15,797	15,534

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 2024

Consolidated	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
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
Total comprehensive income and expenditure for the year	(28)	57	15,768	15,797
Balance at 1 August 2023	1,055	540	82,546	84,141
Surplus from the income and expenditure statement	98	750	2	850
Other comprehensive income	-	-	387	387
Release of restricted funds spent in year	-	-	(60)	(60)
Total comprehensive income and expenditure for the year	98	750	329	1,177
Balance at 31 July 2024	1,153	1,290	82,875	85,318

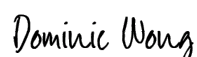
University	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2022	1,083	243	65,421	66,747
Surplus / (Deficit) from the income and expenditure statement	(28)	(21)	1,031	982
Other comprehensive income	-	-	14,563	14,563
Total comprehensive income and expenditure for the year	(28)	(21)	15,594	15,545
Balance at 1 August 2023	1,055	222	81,015	82,292
Surplus / (Deficit) from the income and expenditure statement	98	750	(141)	707
Other comprehensive income	-	-	387	387
Total comprehensive income and expenditure for the year	98	750	246	1,094
Balance at 31 July 2024	1,153	972	81,261	83,386

Consolidated and University Balance Sheet

Year ended 31 July 2023

		Year ended 31 July 2024		Year ended 31 July 2023	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible assets	11	86,477	83,209	87,479	83,930
Investments	12	1,230	2,075	1,086	1,931
Biological Assets	13	634	634	628	628
Trade and other receivables	15	-	835	-	1,015
		88,341	86,753	89,193	87,504
Current assets					
Stock	14	1,297	1,297	1,180	1,180
Trade and other receivables	15	4,854	5,183	3,813	4,162
Investments	12	14,058	14,058	13,019	13,019
Cash and cash equivalents		24,249	23,499	24,010	23,345
		44,458	44,037	42,022	41,706
Creditors - amounts falling due within one year	16	(10,542)	(10,574)	(9,448)	(9,426)
Net current assets		33,916	33,463	32,574	32,280
Total assets less current liabilities		122,257	120,216	121,767	119,784
Creditors – amounts falling due after more than one year	17	(36,751)	(36,751)	(36,923)	(36,923)
Provisions					
Pensions provisions	25	(4)	(4)	(494)	(494)
Other provisions	18	(184)	(75)	(209)	(75)
Total net assets		85,318	83,386	84,141	82,292
Restricted reserves					
Income and expenditure reserve – restricted reserve	19	1,290	972	540	222
Endowment – restricted reserve	19	1,153	1,153	1,055	1,055
Unrestricted reserves					
Income and expenditure reserve - unrestricted		82,875	81,261	82,546	81,015
Total reserves		85,318	83,386	84,141	82,292

The financial statements on pages 35 to 38 were approved by the Board of Governors on 26 November 2024 and signed on its behalf by:



Mr Dominic Wong
Chair of Governors



Professor Ken Sloan
Vice Chancellor



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 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus / (Deficit) for the year		850	1,245
Adjustment for non-cash items			
Depreciation		5,197	4,247
Gain on investments		(270)	(85)
Increase in stock and biological assets		(123)	(225)
(Increase) / Decrease in debtors		(1,041)	304
Increase in creditors		1,139	1,933
Increase in pension provision	25	(387)	1,113
Increase/(Decrease in other provisions)	18	-	(690)
Capital grant income		(678)	(661)
		4,687	5,936
Adjustment for investing or financing activities			
Endowment Income		-	-
Interest payable	9	598	598
Profit on the sale of fixed assets		(14)	(51)
Investment income	5	-	-
		584	547
Net cash inflow from operating activities		5,271	7,728
Cash flows from investing activities			
Proceeds from sales of fixed assets		14	109
Capital grant receipts		239	249
Investment income	5 / 12	270	85
Payments made to acquire fixed assets		(3,897)	(2,808)
New non-current asset investments (treasury term deposits)		(1,000)	(7,000)
		(4,374)	(9,365)
Cash flows from financing activities			
Interest paid		(598)	(598)
Repayments of amounts borrowed		(60)	(290)
		(658)	(888)
Increase / (Decrease) in cash and cash equivalents in the year		239	(2,525)
Cash and cash equivalents at beginning of the year		24,010	26,535
Cash and cash equivalents at end of the year		24,249	24,010

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

Notes to the Financial Statements

1. Tuition fees

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full time students – home/EU	18,552	18,552	18,722	18,722
Full time students charged overseas fees	1,550	1,550	1,535	1,535
Part time fees	683	683	735	735
Short course fees	704	704	651	651
Other fees	490	490	348	348
	21,979	21,979	21,992	21,992

2. Funding body grants

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant (OFS)	11,728	11,728	10,636	10,636
Release of deferred capital grant (OFS)	459	459	448	448
Research grant (Research England)	2,166	2,166	1,922	1,922
Higher Education Innovation Fund	551	551	612	612
Education and Skills Funding Agency	1,009	1,009	692	692
Hardship Funding (OFS)	0	0	30	30
	15,913	15,913	14,340	14,340

Details of Grant and Fee Income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grant Income from the OfS	12,675	12,675	11,726	11,726
Grant Income from other bodies	3,175	3,175	2,614	2,614
Fee income for taught awards (excl. VAT)	21,928	21,928	21,943	21,943
Fee income for research awards (excl. VAT)	56	56	49	49
	37,834	37,834	36,332	36,332

3. Research grants and contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants and contracts	4,774	4,774	3,279	3,279

4. Other operating income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Catering and residence	4,664	4,664	4,626	4,626
Conferences and short course accommodation	1,013	1,013	808	808
Consultancy	120	120	18	18
Farm	3,799	3,812	3,965	3,976
Other income	1,546	2,101	1,413	1,908
Crop Trials income	-	-	41	41
Validation fees	61	61	321	321
	11,203	11,771	11,192	11,698

5. Investment income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank interest	1,209	1,209	401	401
Development Trust Interest	8	-	5	-
	1,217	1,209	406	401

6. Donations and endowments

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Permanent Restricted Endowments	-	-	-	-
Other donations with restrictions	1,249	1,394	552	463
Other donations without restrictions	11	1	14	86
	1,260	1,395	566	549

7. Staff costs

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Staff Costs:				
Salaries	24,001	24,001	21,662	21,662
Social security costs	2,398	2,398	2,198	2,198
Pension costs (excl. LGPS service cost)	4,292	4,292	3,718	3,718
	30,691	30,691	27,578	27,578
LGPS Service cost	(106)	(106)	698	698
Total	30,585	30,585	28,276	28,276

During the year severance costs of £nil were paid (2023: £nil) to individuals (2023: nil). Therefore, no costs are included within the salaries figures above for the current year to 31 July 2024.

	Year Ended 31 July 2024	Year Ended 31 July 2023
	Consolidated & University (VC) £'000	Consolidated & University (VC) £'000
Emoluments of the Vice-Chancellor (VC)		
Salary	256	239
Benefits	1	1
Employer's pension contributions	20	24
Payments in lieu of pension contributions	-	-
	277	264

The Vice-Chancellor's basic salary is 6.91 (2023: 6.19) 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 6.86 (2023: 6.11) times the median total remuneration of staff, where the median total remuneration including employer pension contributions is calculated on a full-time equivalent basis for the total remuneration by Harper Adams University to its staff.

Benefits

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

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 (2023: 7 members). The 2023 figure is shown as "restated" following a review of previously omitted data in the prior year accounts which has been included in this years disclosure.

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 (Restated) £'000
Key management personnel emoluments	1,233	1,127

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 2024		Year ended 31 July 2023	
	Consolidated No.	University No.	Consolidated No.	University No.
£100,000 to £104,999	-	-	2	2
£105,000 to £109,999	1	1	1	1
£110,000 to £114,999	2	2	-	-
£115,000 to £119,999	-	-	1	1
£125,000 to £129,999	1	1	1	1
£135,000 to £139,999	1	1	-	-
£235,000 to £239,999	-	-	1	1
£255,000 to £259,999	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. The 2023 HESA figures show as "restated" following a review of some omitted data in the prior year accounts, which has been included in this years disclosure.

HESA (Average FTE)	Year ended 31 July 2024		Year ended 31 July 2023 (Restated)	
	Consolidated No.	University No.	Consolidated No.	University No.
Average staff numbers by major category per HESA:				
Academic	190	190	184	184
Administration and Support	158	158	144	144
Management & Specialist	43	43	40	40
Other	112	112	109	109
Research	16	16	11	11
Technical	34	34	36	36
	553	553	524	524

Companies Act (Average Count)

	Consolidated No.	University No.	Consolidated No.	University No.
Average staff numbers by major category per Co Act:				
Academic	231	231	242	242
Administration and Support	161	161	150	150
Management & Specialist	66	66	73	73
Other	135	135	126	126
Research	19	19	12	12
Technical	38	38	46	46
	650	650	649	649

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 these flow 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.

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 2024/25, 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 University's leadership. The Vice-Chancellor's key achievements include the ongoing development and successful implementation of the Harper2030 strategic plan, which he has led with expertise. The Remuneration Committee and the Board agreed that the Vice-Chancellor's top priority for 2023/24 had remained to ensure the delivery of Harper2030, a process in which his performance continues to exceed expectations. Additionally, the Vice-Chancellor continues to demonstrate continued strategic focus on his wider objectives which require longer-term attention beyond a single year.

During 2023/24, the Vice-Chancellor demonstrated exemplary leadership, not only in meeting interim objectives and advancing strategic development, but also in raising the profile of the University and continuing to drive cultural change. His leadership approach has promoted strong, credible, and supportive relationships within the senior team, contributing to the successful delivery of key institutional goals.

The Vice-Chancellor continued to embed key strategic partnerships through 2023/24 including collaborations with Telford & Wrekin Council and other regional stakeholders. The Remuneration Committee and the Board recognise that the Vice-Chancellor continues to provide forward-looking leadership, offering confidence and reassurance to the University's staff, students, and broader community

including the Board. The agreed objectives for the Vice-Chancellor during the period from August 2023 to July 2024 reflect the ongoing priorities essential to the University's ongoing success, including but not limited to:

- Leadership and Institutional Development:
 - To be a visible, accessible, and approachable leader, promoting engagement within the University community;
 - To act as an effective and net-positive Accountable Officer, leading the delivery of the University's strategic, operational, and financial plans;
 - To secure and promote an organisational culture aligned with institutional priorities and objectives.
 - To maintain credible, supportive relationships with the senior team and the Governing Body, providing sound leadership and ensuring effective delegation and decision-making.
- Strategic Partnerships and External Representation:
 - To represent the University professionally with external audiences, positioning Harper Adams as a global voice in its areas of specialism;
 - To actively develop and maintain strategic partnerships, playing an effective role on the executive of GuildHE, Board of UCEA, and Global Federation of Competitive Councils;
 - To contribute to external events, media opportunities and partnerships that align with the University's strategic priorities.
- Academic Research and Excellence:
 - To drive achievement in education and research, focusing on enterprise, innovation, and impact;
 - To enhance academic performance, research output, student experience, and employability outcomes, progressing these through appropriate decision-making bodies.
- Resource Management and Infrastructure
 - To ensure the effective utilisation and safety of University resources, meeting financial objectives in line with the approved budget and ensuring infrastructure resilience.
- Community and Civic Engagement
 - To extend the impact and reach of the University and Students' Union Respect Plans;
 - To enhance the University's role as a civic-minded strategic partner, positively contributing to local, regional, and national growth.

The Board acknowledged the Vice-Chancellor's outstanding performance during 2023/24, particularly in relation to these objectives and his continued success in driving key institutional achievements. His expertise, experience in higher education, and proven leadership both within and outside the UK remain critical to the University's sustained progress. Considering these contributions, the Board, in July 24, endorsed the Remuneration Committee's decision to implement an individual consolidated pay award of £5,000 for 2024/25, reflecting the Vice-Chancellor's excellent performance and the continued delivery of strategic priorities. The award was subsequently declined by the Vice-Chancellor with the funds to instead be allocated to the Development Trust in 2024/25 with a focus towards supporting staff and students in times of hardship.

For 2023/24 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 2023/24 are set out in the tables above.

The Board was satisfied that the remuneration package for the Vice-Chancellor during 2023/24 had been appropriate considering the benchmarking salary data for the sector and the above context, value and performance demonstrated during the year ended 31 July 2024.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to disclose certain metrics detailing the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities. The University had seven full time equivalent employees who spent 0% to 50% of their working hours on trade union activities, of which 101 hours were spent on Trade Union Activities. This represents 0.01% of the total pay bill (£3.5k of £30m).

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. Harper Adams Club is the alumni association for former Harper Adams students. Via the Harper Adams University Development Trust there are transactions made via associated relationships through supporting trustees at each entity. During the year payments totalling £3,396 (2023: £3,400) were made to Harper Adams in Ireland and payments totalling £nil (2023: £5,810) to Harper Adams Club.

No Board member has received any remuneration/waived payments from the group during the year (2023: none)

The total expenses paid to or on behalf of 12 Board members was £1,194 (2023: £3,024). 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 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic and related expenditure	4,044	4,044	2,765	2,765
Administration and central services	989	989	1,325	1,325
Library, computer and other academic support services	3,522	4,025	3,203	3,716
Premises - Other premises costs	935	935	1,801	1,526
Premises - Refurbishment and maintenance	1,352	1,352	75	349
Premises - Utility Costs	1,758	2,906	1,456	2,465
Research grants and contracts	2,482	2,482	1,608	1,608
Residences and catering operations	373	373	516	516
Other including income generating operations	3,338	3,238	3,402	3,296
Development Trust scholarship expenditure and audit fee	502	-	455	-
	19,295	20,344	16,606	17,566

Other operating expenses include:

Audit of these financial statements	58	47	52	43
Amounts receivable by the company's auditor in respect of:				
- Audit of financial statements of subsidiaries of the company	11	-	9	-
- Audit related assurance services	1	1	1	1
- Taxation compliance services	8	8	7	7
Internal auditors' remuneration	42	42	35	35

Operating lease rentals:

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

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
On bank loans:				
Repaid during the year	-	-	-	-
Repayable wholly or partly in 1 year	-	-	-	-
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	598	598
Other interest costs	-	-	-	-
Pension finance charge	2	2	509	509
Total payable	600	600	1,107	1,107

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 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
UK corporation tax (credit) / charge of 25% (2023: 19.0%) on surplus for the year	-	-	-	-
Tax in other jurisdictions	128	128	437	437
Adjustments to UK Corporation tax in respect of prior periods	-	-	-	-
Deferred tax provision	(25)	-	(7)	-
Tax on Profit on ordinary activities	103	128	430	437

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

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Profit on ordinary activities before taxation	953	872	1,675	1,419
Profit on non-charitable ordinary activities before taxation	207	-	180	-
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 25% (2023: 21.01%)	-	-	34	-
Fixed asset differences	(2)	-	-	-
Expenses not deductible for tax purposes	52	-	4	-
Income not chargeable for tax purposes	-	-	-	-
Losses carried back	-	-	-	-
Chargeable gains	-	-	-	-
Deferred tax not recognised	-	-	(1)	-
Adjustments to tax charge in respect of previous periods	(75)	-	(44)	-
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)	(25)	-	(7)	-

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 2023	100,254	23,856	2,310	-	126,420
Transfer	-	-	-	-	-
Additions	1,361	2,795	42	-	4,198
Disposals	-	(18)	-	-	(18)
Impairment of assets	(794)	-	-	-	(794)
At 31 July 2024	100,821	26,633	2,352	-	129,806
Accumulated depreciation					
At 1 August 2023	24,570	13,727	644	-	38,941
Transfer	-	-	-	-	-
Charge for the year	2,798	1,455	150	-	4,403
Disposals	-	(15)	-	-	(15)
At 31 July 2024	27,368	15,167	794	-	43,329
Net book value					
At 31 July 2023	75,684	10,129	1,666	-	87,479
At 31 July 2024	73,453	11,466	1,558	-	86,477
Financed by capital grant	17,029	3,918	-	-	20,947
Other	56,424	7,548	1,558	-	65,530
Net book value at 31 July 2024	73,453	11,466	1,558	-	86,477

Asset impairment has been calculated consistently with the principles of section 17 of FRS102. During the year a building asset that had been identified as not suitable for use was written down to just the value of the land associated with it. Furthermore, an assessment of costs incurred to date in relation to pathology building facilities were no longer considered to be an asset and were impaired accordingly 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 (2023: £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 2023	100,254	19,206	2,310	-	121,770
Transfer	-	-	-	-	-
Additions	1,361	2,795	42	-	4,198
Disposals	-	(10)	-	-	(10)
Impairment	(794)	-	-	-	(794)
At 31 July 2024	100,821	21,991	2,352	-	125,164
Accumulated depreciation					
At 1 August 2023	24,570	12,626	644	-	37,840
Transfer	-	-	-	-	-
Charge for the year	2,804	1,176	150	-	4,130
Disposals	-	(15)	-	-	(15)
At 31 July 2024	27,374	13,787	794	-	41,955
Net book value					
At 31 July 2023	75,684	6,580	1,666	-	83,930
At 31 July 2024	73,447	8,204	1,558	-	83,209
Financed by capital grant	17,029	3,918	-	-	20,947
Other	56,418	4,286	1,558	-	62,262
Net book value at 31 July 2024	73,447	8,204	1,558	-	83,209

12. Investments

	Year ended 31 July 2024		Year ended 31 July 2023	
	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	1,198	1,043	1,086	931
Unquoted securities at cost	32	32	-	-
	1,230	2,075	1,086	1,931
Current asset investments				
Short term cash deposits	13,000	13,000	12,000	12,000
Restricted endowment funds	1,058	1,058	1,019	1,019
	14,058	14,058	13,019	13,019
Total investments	15,288	16,133	14,105	14,950
Restricted endowment funds				
UK and Overseas Bonds	169	169	153	153
UK and Overseas Equities	696	696	655	655
Property and Other Funds	171	171	168	168
Cash and cash equivalents	22	22	43	43
	1,058	1,058	1,019	1,019

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 £634k (2023: £628k).

14. Stock

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Farm stocks	1,225	1,225	1,117	1,117
Consumables	36	36	30	30
Goods for resale	36	36	33	33
	1,297	1,297	1,180	1,180

15. Trade and other receivables

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	1,146	1,146	655	655
Subsidiary company	-	382	-	360
Other trade receivables	777	770	1,026	1,025
Prepayments and accrued income	2,752	2,706	2,064	2,054
Other receivables	179	179	68	68
	4,854	5,183	3,813	4,162
Amounts falling due after one year:				
Subsidiary company	-	835	-	1,015
	4,854	6,018	3,813	5,177

Harper Adams University had extended a public benefit entity concessionary loan to Cedar Energy Limited which was repaid in full during the year (2023: £60K).

16. Creditors: amounts falling due within one year

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
OFS loans	-	-	60	60
Subsidiary company	-	67	-	29
Deferred income	2,359	2,359	2,463	2,463
Taxation and social security	698	698	1,222	1,206
Sundry creditors and accrued expenses	7,485	7,450	5,703	5,668
	10,542	10,574	9,448	9,426

Within Taxation and social security is an accrued tax charge of £nil (2023: £1.1m) for teaching undertaken by the University outside of the UK. The tax position was finalised during the year by the relevant professional agencies based on varying cross-border factors associated with the calculation.

Deferred income

Research grants received on account	1,668	1,668	1,564	1,564
Grant income	651	651	645	645
Other income	40	40	254	254
	2,359	2,359	2,463	2,463

17. Creditors: amounts falling due after one year

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	11,751	11,751	11,923	11,923
Loans:				
OFS loans	-	-	-	-
Other loans	25,000	25,000	25,000	25,000
Total creditors due after one year	36,751	36,751	36,923	36,923

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
Between one and five years	-	-	-	-
In five years or more	-	-	-	-
	-	-	60	60

Other loans repayable as follows:

In one year or less	-	-	-	-
Between one and five years	-	-	-	-
In five years or more	25,000	25,000	25,000	25,000
	25,000	25,000	25,000	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 2024			Year ended 31 July 2023		
	Deferred Tax £000	Other Provision £000	Total £000	Deferred Tax £000	Other Provision £000	Total £000
Consolidated						
As at 1 August 2023	133	76	209	140	759	899
Charge in the year	-	-	-	-	-	-
Released to the SOCI	(24)	(1)	(25)	(7)	(683)	(690)
As at 31 July 2024	109	75	184	133	76	209
University						
As at 1 August 2023	-	75	75	-	758	758
Charge in the year	-	-	-	-	-	-
Released to the SOCI	-	-	-	-	(683)	(683)
As at 31 July 2024	-	75	75	-	75	75

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 2024.

Deferred Tax

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

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Capital gain on disposal	109	133

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 2024 Total £'000	Year Ended 2023 Total £'000
	£'000	£'000	£'000	£'000
Balances at 1 August 2023				
Scholarships and bursaries	540	-	540	483
Capital	-	1,025	1,025	1,025
Accumulated Income	-	30	30	58
	<u>540</u>	<u>1,055</u>	<u>1,595</u>	<u>1,566</u>
New endowments	-	-	-	-
Investment income	-	60	60	-
New donations	1,249	-	1,249	564
Increase / (Decrease) in market value of investments	-	38	38	(28)
Expenditure	(499)	-	(499)	(507)
As at 31 July 2024	<u>1,290</u>	<u>1,153</u>	<u>2,443</u>	<u>1,595</u>
Analysis of other restricted funds/donations by type or purpose:			2024 Total £'000	2023 Total £'000
Scholarships and bursaries	540	-	540	540
Capital	750	1,063	1,813	1,025
Accumulated Income	-	90	90	30
	<u>1,290</u>	<u>1,153</u>	<u>2,443</u>	<u>1,595</u>

University	Donations	Endowments	Year Ended 2024 Total £'000	Year Ended 2023 Total £'000
	£'000	£'000	£'000	£'000
Balances at 1 August 2023				
Scholarships and bursaries	222	-	222	243
Capital	-	1,025	1,025	1,025
Accumulated Income	-	30	30	58
	222	1,055	1,277	1,326
New endowments	-	-	-	-
Investment income	-	60	60	-
New donations	750	-	750	-
(Decrease) / Increase in market value of investments	-	38	38	(28)
Expenditure	-	-	-	(21)
As at 31 July 2024	972	1,153	2,125	1,277
Analysis of other restricted funds/donations by type or purpose:				
	Donations	Endowments	Year Ended 2024 Total £'000	Year Ended 2023 Total £'000
	£'000	£'000	£'000	£'000
Scholarships and bursaries	222	-	222	222
Capital	750	1,063	1,813	1,025
Accumulated Income	-	90	90	30
	972	1,153	2,125	1,277

20. Capital and other commitments

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Capital commitments				
At 31 July 2024, the following amounts had been authorised:				
Authorised and contracted for	1,800	1,800	-	-
Operating leases				
As at 31 July 2024, Harper Adams University had minimum future lease payments under operating leases expiring between one and five years:				
Plant and machinery	-	-	-	-

The above capital commitment of £1.8m relates to the surrender of a lease agreement for a commercial research facility located on the University campus.

21. Post balance sheet event

The University agreed to accept an early surrender of a lease from a tenant who operates a commercial research facility on 10 July 2024. The agreement commits the University to pay £1.8m to obtain control and ownership of the building in January 2025, after which the University will control use and occupancy of the facility.

22. Contingent liabilities

There are no contingent liabilities to report. During 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 had the right to break at 15 years and this was instructed on 10 July 2024.

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 £52k (2023 nil) on behalf of Agri-EPI Centre Limited for whom the university is acting as agent. The University received income of £88k (2023 £123k) 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 £7k (2023 £8k) and owed Agri-EPI Centre £nil (2023 nil).

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 £239k (2023 £181k) and received £67k (2023 £12k). At the balance sheet date, Harper Adams University was owed £5k (2023 £37k) and owed the Students’ Union £28k (2023 nil).

Harper Adams University is a member of CIEL Livestock Limited, a company limited by guarantee. During the year the University made payments to CIEL Livestock of £1k (2023 nil) and received nil (2023 £2k). At the balance sheet date, Harper Adams University was owed nil (2023 £nil).

Harper Adams University works closely with Keele University. During the year the University made payments to Keele University of £1,994k (2023 £1,155k) and received £214k (2023 £532k). At the balance sheet date, Harper Adams University was owed £nil (2023 £47k) and owed Keele University £nil (2023 £nil).

The Vice-Chancellor continues to hold a professional engagement with Monash University based in Australia. During the year the University received £6,614 (2023 £nil) as a reimbursement for travel expenses incurred. No payments were made to Monash University. At the balance sheet date, no funds were owed to or from Monash University (2023 £nil).

Ken Greetham, served as a Harper Adams University Governor until July 2024, was also a Board Member of The James Hutton Institute. During the year the University made payments to The James Hutton Institute of £1k (2023 £nil) and received £13k (2023 £13k). At the balance sheet date, Harper Adams University was owed £nil (2023 £nil) and owed The James Hutton Institute £nil (2023 £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 at the same address as Harper Adams University), 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-subsidary 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 2024 £'000	Year ended 31 July 2023 £'000
Total employer pension contributions for the year		
Local Government Pension Scheme	1,142	1,923
Teachers' Pension Scheme	2,193	1,869
Scottish Widows	611	450
HKVS Staff Pension (administered by Keele University)	214	174
	4,160	4,416

(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 2024 was £1,610,647 of which employer's contributions totalled £1,142,770 and employees' contributions totalled £467,877.

As from April 2024, 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 £1,386,734 in April 2023 (April 2023: £1,267,348). 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 (2023: £nil) relating to the estimate of historic liabilities.

Ruling on amendment of Contracted out Salary Related pension schemes

On 16 June 2023, the High Court handed down The Virgin Media Ltd v NTL Pension Trustees II decision, considering the implications for section 37 of the Pension Schemes Act 1993. In a judgement delivered in July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the impact of the decision is likely to be that schemes who made amendments without getting the required certification from the actuary will have additional liabilities. This consequently impacts the financial statements (defined benefit pension obligation) of the sponsoring employer. There are plans in place by the Government Actuarial Department to review the potential implications, but at the current time it is not possible to estimate the potential impact, if any, on the Scheme.

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 2024, with comparative figures at 31 July 2023.

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

Principal Actuarial Assumptions

	As at 31 July 2024	As at 31 July 2023
Price inflation (CPI)	2.6%	2.7%
Rate of increase in Salaries	3.85%	3.95%
Rate of increase of Pensions in Payment	2.7%	2.8%
Discount Rate for Liabilities	4.9%	5.1%

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 2024 £'000	As at 31 July 2023 £'000
Retiring today		
Males	21.7	21.7
Females	24.2	24.1
Retiring in 20 years		
Males	23	23
Females	25.9	25.9

The assets in the scheme were:

	As at 31 July 2024 £'000	As at 31 July 2023 £'000	As at 31 July 2022 £'000
Equities	32,765	26,675	23,420
Corporate bonds	7,950	8,942	9,576
Property	1,817	1,686	2,134
Cash	568	715	992
Other	13,685	13,081	13,496
Total	56,785	51,099	49,618

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Scheme assets	56,785	51,099
Scheme liabilities	(54,731)	(51,593)
Impact of asset ceiling	(2,058)	-
(Deficit) in the scheme – net pension liability recorded within pension provisions	(4)	(494)
Current service cost	1,143	1,910
Past service costs – McCloud Judgement	-	-
Past service costs – GMP indexation	-	-
Total operating charge	1,143	1,910

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Analysis of the amount charged to interest payable/credited to other finance income		
Net interest cost	(53)	450
Administration expenses	55	58
Curtailments	-	7
Net charge to other finance income	2	515

Total profit and loss charge before deduction for tax	825	1,245
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Analysis of other comprehensive income:

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Gain on assets	2,993	(504)
Experience gain / (loss) on liabilities	(549)	15,056
Gain / (loss) on liabilities	-	-
Total other comprehensive income before deduction for tax	3,269	15,797

Analysis of movement in surplus/(deficit)

	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Deficit at beginning of year	(494)	(13,934)
Contributions or benefits paid by the University	1,249	1,313
Current service cost	(1,143)	(1,910)
Past service cost	-	-
Other finance charge	(2,060)	(515)
Gain recognised in other comprehensive income	2,444	14,552
Deficit at end of year	(4)	(494)

Analysis of movement in the present value

Present value of liabilities at the start of the year	51,593	63,552
Current service cost (net of member contributions)	1,143	1,910
Curtailments	-	7
Past service cost	-	-
Interest on pension liabilities	2,602	2,206
Actual member contributions (including notional contributions)	467	490
Actuarial loss/(gain)	549	(15,056)
Actual benefit payments	(1,623)	(1,516)
Present value of liabilities at the end of the year	54,731	51,593

Fair value of assets at the start of the year	51,099	49,618
Expected return on assets	2,655	1,756
Actuarial gain / (loss) on assets	2,938	(562)
Actual contributions paid by University	1,249	1,313
Actual member contributions (including notional contributions)	467	490
Actual benefit payments	(1,623)	(1,516)
Fair value of scheme assets at the end of the year	56,785	51,099

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	2,655	1,756
Asset gain / (loss)	2,993	(504)
	5,648	1,252

A movement in the discount rate of 0.1% would impact on liabilities by £0.9m and a movement in pay inflation assumption of 0.1% would again impact on liabilities by £0.9m.

(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 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023. The valuation report was published by the Department for Education (the Department) on 13 October 2023. The key results of the valuation were:

- employer contribution rates were increased from 23.68% of pensionable pay to 28.6% (with effect of April 2024) following the Government Actuaries Department review of valuations;
- total scheme liabilities for service to the effective date of £262 billion, and notional assets of £222.2 billion, giving a notional past service deficit of £39.8 billion;

The new employer contribution rate for the TPS was implemented in April 2024.

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/members/faqs/valuation.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 £2,189,853 (2023: £1,868,655).

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 2024			Year ended 31 July 2023		
	Staff Costs	Other Costs	Consolidated & University	Staff Costs	Other Costs	Consolidated & University
	£'000	£'000	£'000	£'000	£'000	£'000
Access Investment	186	401	587	225	259	484
Financial Support	-	333	333	-	390	390
Support for Disabled Students	160	58	218	150	47	197
Research & Evaluation	135	-	135	143	-	143
Total Access and Participation Expenditure	481	792	1,273	517	696	1,213

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

Staff costs identified above of £481k (2023: £517k) are included within the total payrolls costs as detailed at note 7 of the accounts.

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



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