

# Strategic Report and Financial Statements

22-23

The background is a solid black field. It is decorated with several thick, semi-transparent colored bars. A teal bar runs vertically along the left edge. A bright orange bar runs vertically through the center. A purple bar runs vertically to the right of the orange one. A pink bar runs vertically on the far right. A light green bar runs horizontally across the bottom right. Several thin, horizontal bars in blue, yellow, and magenta are scattered in the upper half of the image.

Hertz.

Beats  
Faster.

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# Governors and advisers

## Board of Governors

### Vice-Chancellor

Professor Q McKellar

### Independent Members

Dr L Drummond (Chair)

Dr D Amin

David Sproul (appointed 1 September 2023)

Dr J Bohrer

Mr R Macnaughton

Mr R Singh

Mr J Blake (term completed 31 August 2023)

Ms L Titcomb

Mrs K Trew (appointed 1 September 2022)

Dr L Wallace (appointed 1 September 2022)

Dr J Walmsley (appointed 1 September 2022)

Mrs C Ward (term completed 17 October 2023)

Mr D Williams

Mr N Willott

### Member nominated by the Academic Board

Dr J Carlton (appointed 1 September 2022)

### Students' Union

Aman Tripathi (appointed 21 February 2023 –

term completed 8 July 2023)

Manoj Kumar Nagireddy (appointed 9 July 2023)

### Co-opted members

Mr O Fatilewa (appointed 1 September 2022 –

term completed 31 August 2023)

Mr A Hall (appointed 1 September 2022)

Mr A Kypreos

Professor P Layzell (appointed 1 September 2022)

## Finance Committee

Mr D Williams (Chair)

Dr D Amin

Dr L Drummond

Mr A Kypreos

Professor Q McKellar

Dr J Walmsley (appointed 1 September 2022)

## Audit and Risk Committee

Mr N Willott (Chair)

Dr J Blake (term completed 31 August 2023)

Dr J Bohrer

Professor P Layzell (appointed 1 September 2022)

Mr R Macnaughton

Mr R Singh

Mr D Sproul (appointed 21 November 2023)

## Employment, Remuneration, Governance and Nominations Committee

Ms L Titcomb (Chair)

Dr D Amin

Dr L Drummond

Professor Q McKellar

Mr R Singh

Dr Jon Walmsley (appointed 1 September 2023)

Mr D Williams (ex officio since 1 September 2022)

Mr N Willott

Mrs K Trew

Dr L Wallace

## Vice-Chancellor's Remuneration Committee

Ms L Titcomb (Chair)

Dr D Amin

Dr L Drummond

Mr R Singh

Dr J Walmsley (appointed 1 September 2023)

Mr D Williams (ex officio since 1 September 2022)

Mr N Willott

## Advisers

### Bankers

Barclays Bank plc, St Albans

### Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick,  
West Sussex, RH6 0PA

# Officers appointed by the Board

The officers oversee the day-to-day running of the University focusing on corporate policy and strategy.

## **Professor Quintin McKellar CBE**

Vice-Chancellor and Chief Executive  
BVMS PhD DVM DipECVPT FSB FRSA FRAGS FRCVS  
FRSE

Professor McKellar has been the Vice-Chancellor and Chief Executive of the University of Hertfordshire since 2011. His responsibilities include the day-to-day running of the University, the delivery of strategic and operational plans, performance, its internal structure and organisation and its interface with external bodies and agencies.

He graduated from Glasgow University Veterinary School in 1981 and went on to gain a PhD in Veterinary Parasitology in 1984. In 1997 Professor McKellar took up the post of Scientific Director of the Moredun Research Institute, an animal disease institute near Edinburgh. In 2004, he was appointed Principal of The Royal Veterinary College of the University of London, the largest and oldest veterinary school in the UK.

In 2015 he was elected as a Board member of Universities UK (UUK) and in 2020 was appointed as UUK Vice-President (England and Northern Ireland). In 2021 Quintin was elected as a Board member of Advance HE. Since 2018 he has been a Non-Executive Director of the Centre for Innovation Excellence in Livestock. He was made a Commander of the Order of the British Empire (CBE) in 2011 for services to science.

## **Professor Julie Newlan MBE**

Deputy Vice-Chancellor

Professor Newlan was appointed Deputy Vice-Chancellor in February 2022. She was previously Pro Vice-Chancellor for Business and International Development. She is engaged in all strategic and operational decisions which underpin the positioning and success of the University.

Julie has overall responsibility for planning, including the development of all academic areas through the respective Deans, staff development, international and regional partnerships and developments, recruitment, induction and retention of students, student experience and student outcomes.

Her academic career began at the London Institute in 1993, after achieving management success in retail and strategy. She joined the University of Hertfordshire Business School in 1996 as a Senior Lecturer in Business Strategy, and held various posts before being appointed Head of the Business School in 2006. She was appointed Pro Vice-Chancellor in 2011. Julie was

made a Member of the Most Excellent Order of the British Empire (MBE) in 2014 for her services to higher education. Julie will be retiring in January 2024.

## **Sharon Harrison-Barker**

Secretary and Registrar

Sharon was appointed in January 2020. She was previously the Academic Registrar, Head of the Student Centre and Faculty Registrar for the Business School and has worked in various further and higher education institutions. She achieved an MBA in Higher Education Management from the University of London in 2010.

Sharon is responsible for the management and operation of the Board of Governors and the Academic Board, compliance with policies, regulations and procedures, legal matters of the University and its wholly owned subsidiaries, health and safety, internal audit, equality, registry, human resources, library and computing services, the Office of the Dean of Students and professional staffing.

## **Alistair Moffat**

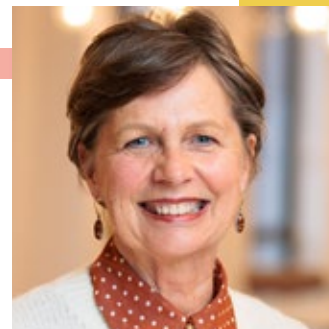
Group Finance Director  
BA FCMA CGMA

Alistair Moffat was appointed Group Finance Director in 2009. He has responsibility for all aspects of financial management within the University Group, including financial control, statutory reporting, treasury, tax, insurance, procurement and commercial financial support for the academic community. His role incorporates Board responsibility for the management of the University's estate and sport. He is a Director of UH Holdings Limited, which oversees the commercial subsidiaries in the Group, and is also a Director of each of our subsidiary companies chairing Polyfield Property Limited and Exemplas Limited.

He was joint chair of the London and South-East British Universities Finance Directors' Group (BUFDG) from 2016-21 and sat on the national BUFDG executive which influences national policy within the higher education sector. He is a Fellow of the Chartered Institute of Management Accountants and joined Herts from Monarch Airlines, where he was Chief Financial Officer.

His other previous roles include Finance Director Scotland at First Group plc and at Alstom Signalling Limited. Alistair was also Finance Director at Mainline Freight Limited, playing an important role during the rail privatisation process.

# Introduction by the Pro Chancellor and Chair of the Board of Governors



We have now passed the mid-way point of our 2020-25 Strategic Plan, and we continue to make good progress – building a global community, expanding flexible learning options, addressing societal challenges, and developing employability for our students who are the workforce of a rapidly-changing tomorrow.

Many of these ambitions are embodied in two of the major projects that have progressed this year. Firstly, the new School of Physics, Engineering and Computer Science (SPECS) building, which is now less than a year away from completion. The ‘topping out’ ceremony in March was a fantastic moment – a major milestone in a project that has taken many years of planning and preparation, as we saw up close how this remarkable new space is taking shape.

In December 2022, we were delighted to be awarded £5.8m of funding from the Office for Students. Together with our largest philanthropic gift in 25 years of an additional £750,000 – donated by the Wolfson Foundation – specifically for the building’s state-of-the-art biodection centre, these funding wins will make a significant contribution to the capital costs of the new facility, and to how we can make the most of it to enhance our teaching and research for years to come.

Secondly, I was thrilled that the University passed the first stage in its ambitious application to open a new medical school. We are all aware of the urgent staffing shortages in the NHS. The government’s NHS Long Term Workforce Plan, published in July, underlined the important role of universities in counteracting this shortage. Herts is in an excellent position to offer medical education thanks to our existing healthcare courses and research, and the strong partnerships we already have with local NHS trusts. It is a long process, but to have passed this first stage is no small feat and a very positive step, as we continue to invest in the future of the University.

One of my personal highlights was the launch of the Global Opportunities Fund, which aims to give students the opportunity to travel and study abroad during their time at Herts. We are a global community, and I strongly believe in providing students with the chance to expand their horizons, experience different cultures and societies, and exchange knowledge and experience with their peers in other countries. At the launch in July, we heard directly from students and alumni whose experiences living and studying abroad have made an indelible impact on their careers and their outlook on life. Yet the consequences of Brexit and the cost-of-living crisis have undoubtedly made this harder for students to access – so this fund will be vital in removing financial barriers and extending this option to more current and future students.

We’ve further partnered with Skilled Education, a sector-leading organisation specialising in providing higher education online courses and degrees, to expand our distance learning opportunities. We’re proud of our global outlook and commitment to making higher education available to all. This exciting new partnership will enable students from across the world who cannot travel, to study one of our postgraduate degrees.

As always, none of these achievements would be possible without the hard work, commitment and ambition of our staff. As I begin my last year as Chair of the Board of Governors, I would like to take this moment to thank everyone in our Herts community for all your contributions.

## **Dr Lynn Drummond**

Pro Chancellor and Chair of the Board of Governors

# Introduction by the Vice-Chancellor and Chief Executive



If the higher education sector was hoping for a quieter period after the turbulence of the pandemic years, we are still waiting! From the impact of the cost-of-living crisis on students, to intensified debate over the value of degrees, it has been another year of both challenge and possibility – and I continue to be immensely proud of the way Herts has risen to it with energy, creativity and dedication to our community.

The uncertainty caused by rising living costs has intensified in the last 12 months, with increased pressure on organisations and individuals alike. I am pleased to say that we remain in robust financial health and have been able to provide increased support to our student community. We know that the mounting costs of accommodation, food, bills and travel are causing concern for students, so alleviating those worries was a key priority this academic year. Our support package worth over £1m has provided much-needed financial assistance for students facing hardship, as well as comprehensive wellbeing services to advise and support students through challenging circumstances.

With government rhetoric throwing doubt on the value of universities, it was apt that in May we published our Powering Impact report: the first economic analysis conducted since 2014 of our regional, national and international impact. The findings are quite something: the University contributes £750m Gross Value Added to the UK economy, supports over 11,000 jobs across the UK, and has supported 632 businesses through our ground-breaking enterprise schemes. Closer to home, we support 1 in every 100 jobs in Hertfordshire, with an economic output for the county of £330m; while on a global scale, our research is making a tangible impact on the lives of communities in Africa, Asia, South America and more.

Of course, there are countless individual stories behind these numbers. But being able to evidence our impact and value in this way will be invaluable as the sector answers big questions about the value of universities, and the ways and extent to which they continue to be funded and regulated.

The views of our staff and students are important in these national and local debates. Following the results of the staff survey, we are expanding the ways in which we seek out staff feedback on what matters most to them. This will be particularly important as we begin to consider our objectives for the next five-year Strategic Plan, which will come into force in 2025.

Our students also continue to engage well with opportunities to give their feedback, and I am delighted with what they have told us this year. In the Postgraduate Taught Experience Survey (PTES), we were ranked second in the UK for student experience and first for skills development; over 90% of postgraduate taught students said that because of their courses, they felt better prepared for their careers. Meanwhile, in the National Student Survey (NSS) we outperformed the sector average across all survey themes for the first time ever, placing us first in the East of England and 26th in the UK. Students reported positive feedback on our organisation and management, learning opportunities and student voice.

Finally, I would like to thank our staff and students for their hard work, dedication and support. They make the University a fantastic place to work and learn.

**Quintin McKellar**  
Vice-Chancellor and Chief Executive



# Highlights of the year

Read about some of our many achievements from the last 12 months



## 1 We secured some of our biggest ever grants towards our new School of Physics, Engineering and Computer Science

Not only did the Office for Students award an incredible £5.8m grant towards the construction of our new School of Science, Physics, Engineering and Computer Science, the Wolfson Foundation also donated £750,000 towards the building's state-of-the-art biodetection centre, since renamed the Wolfson Centre for Biodetection and Instrumentation Research. Due to open in 2024, the School will become a hub of innovation, research and enterprise within STEM subjects.



## 2 We're in the top 3 in the UK for the 2023 Top Creative Schools

Our wonderfully talented creative arts staff and students were ranked 3rd in the UK and 28th in the world according to the 2023 Rookies results.



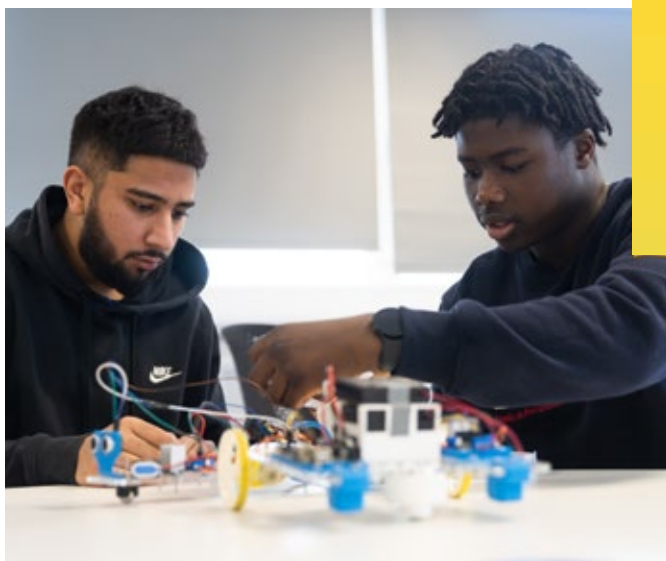
## 3 We were placed second in the UK for postgraduate student experience

After achieving a score of 93% in overall satisfaction, Herts came second in the UK for overall experience in this year's Postgraduate Taught Experience Survey (PTES). We also ranked in the top five for every single section of the survey and was placed as the number one institution out of 85 for skills development.



#### 4 We won a youth grant to support diversity in engineering

The University received a £61,000 grant from the Royal Academy of Engineering as part of the Diversity Impact Programme, aimed at increasing diversity in engineering. The funding will support a project led by SPECS to encourage Black, Asian, and Minority Ethnic students to consider engineering degrees.



#### 5 We welcomed Entrepreneurs in Residence

Herts has appointed two Entrepreneurs in Residence, Raphael Sofoluke and Suzanne Meenan, as part of its efforts to enhance opportunities for collaboration between students, staff and industry. They have begun contributing to various university programmes, including providing expert advice and support to students, staff and SMEs, and contributing to knowledge-exchange projects.



#### 6 Our researchers helped to confirm the earliest ever galaxies in the universe

Using data obtained from the James Webb Space Telescope, expert scientists from Herts – alongside a team of international astronomers – reported the discovery of the earliest galaxies ever confirmed in our Universe.



#### 7 We made our debut at Pride in London

For the first time ever, representatives from Herts joined over 30,000 other marchers for the Pride in London parade, the UK's largest LGBTQ+ celebration. 50 staff and students from the University donned bright colours to dance their way through central London in support of greater inclusivity and acceptance.

# Powering impact

**We transform lives with career-focused education**

**Defined by the spirit of innovation and enterprise, the University of Hertfordshire has been an innovative, vocation-first educational force for more than 70 years**

Founded in 1952 as the Hatfield Technical College, on land donated by Alan Butler – the then Chairman of the de Havilland Aircraft Company – most of our earliest courses were focused on subjects related to the aeronautical industry. This ensured we quickly became a leading educator for Britain's pioneering aeronautical sector, before we became Hatfield Polytechnic in 1969, and then achieving university status in 1992 to become the University of Hertfordshire.

Since those early days, our offering and output has soared.

We're a dynamic and innovative institution with a long history of driving ambition and enterprise across the region. Our inclusive and entrepreneurial nature powers the potential of our students, staff, corporate partners, and members of the community. We have a thriving community of more than 33,000 students from over 140 countries. We also have more than 6,000 students taking courses worldwide.

We are a university that never stands still. We champion social mobility and personal and societal change. We celebrate those who break barriers. We nurture entrepreneurs and develop tomorrow's leaders, innovators and trailblazers in healthcare, education, business, science, humanities, law, sport, and creative arts. We partner with key employers, professional bodies, and government to ensure we are directly responding to real-world needs. Today, we're a dynamic catalyst for change: empowering our community to make a radical impact in the region, across the UK and around the world.



In 2020, we launched our five-year strategic plan, with a clear vision that whatever your background or wherever you are from, our belief is that everyone deserves the chance to transform bold ambition into life-changing reality. Our values – friendly, ambitious, collegiate, enterprising and student-focused – underpin everything we do and are an integral part of our student plan.

We support a diverse range of students, staff, businesses, researchers and members of the community. What they all share is the desire to make the most of the opportunities in front of them. Our strategy will enable us to power their potential and help them achieve their goals by offering opportunity, building community and embracing flexibility.

We play a considerable role within our local community, the region, the country and across the world as an employer, educator, business partner and driver of research.

## Our five pillars

We operate under five pillars of activity and our strategy is embedded in each, enabling us to achieve our vision:

### **Education and student experience**

We deliver high-quality and distinctive education that transforms lives.

### **Research**

We carry out research that has significant, real-world impact, addressing fundamental global and societal challenges.

### **Global engagement**

We are a globally engaged university with over 13,000 international students from 140 countries.

### **Enterprise**

We deliver transformative benefits for the economy and our communities through world-class expertise in business, innovation and skills.

### **People and values**

We are a diverse, inclusive community and respond with flexibility to the challenges of the changing world.



We recognise that equality and inclusion in higher education are vital for socioeconomic development, and we welcome a varied global community from all backgrounds.

The world is changing, and each day poses new challenges and needs. We have a responsibility to fuel the ideas, skills, perspectives and solutions to drive progress and help transform Hertfordshire and the wider country's economic, social and cultural future.

We are a significant contributor to the national economy, with £730m of output and 11,170 jobs dependent on the University and its activities. We send 8,000 highly skilled graduates out into the workforce every year, 18% of whom are employed at companies across the East of England and 29% of whom find employment in healthcare professions nationally.

The last 12 months have seen many changes in government which have been extremely challenging for the higher education sector, but we remain financially sustainable and are



well-placed to face the uncertainties ahead. Student tuition fees make up approximately 70% of our income. Over the past 10 years, the University has seen a fall in the number of UK undergraduate students, although this has been offset by an increase in international post-graduate students.

Our total staff costs are over £170m this year and will be even higher next year.

We're not alone in experiencing these challenges, which have impacted institutions across the sector, and we are working hard to manage the effect of this on our University. We have made a surplus this year which means the University remains in good financial health and is well placed to face the uncertainties ahead. We remain committed to ensuring the best use of our resources from students' fees, public money and commercial income, to achieve our strategic vision and objectives by investing in our staff, students and facilities.



## Top rankings

**Ranked 2nd out of 101 institutions in the Postgraduate Taught Experience Survey 2023**

**We have risen 21 places in the REF rankings from 83rd to 62nd position according to the Research Excellence Framework 2021**



We are **ranked 26th** in the **country** and **1st** in the East of England for overall student satisfaction in the National Student Survey 2023

In the 2024 Guardian University Guide, Herts **climbed 25 places** to be ranked 16th out of 52 for midwifery; climbed 12 places to be ranked **9th out of 79** for our **nursing**; and was ranked **4th nationally** for **physiotherapy**





# Education and student experience

**Our goal is to transform lives. Through our delivery of high-quality education, we provide life-changing opportunities**

## **Herts Learning**

By working in partnership with our student community, we deliver flexible education with clear pathways. Our commitment to blended and flexible approaches to study led to the development of our Herts Learning Principles which inform our curriculum design. Working with programme

teams, our student curriculum consultants and central teams, over half of our programmes have now gone through a curriculum redesign process, embedding the principles to enhance their provision. The remaining programmes will be redesigned by 2025.

## **Programme Leadership**

Recognising the need to support new programme leaders as they take on crucial management and leadership roles, we've designed a programme of development consisting of tailored workshops, mentorship, observation opportunities and support for professional recognition. Since the start of the programme in 2020-21, 116 programme leaders (including colleagues from the University and from our UK and international partner organisations) have completed the scheme and we have 30 new programme leaders forming our current cohort.

### Co-curricular courses

Our students not only study with us to increase their knowledge and skills, but also to gain valuable experience that prepares them for real-world careers. Our co-curricular programmes are designed to enhance their employability and support them to achieve their full potential.

### Widening access and participation

We are, and always have been committed to ensuring everyone is able to access and achieve through higher education. 68% of our students are from widening participation backgrounds, 36% are the first in their family to attend university, and 26% are from households with income below £25k. This year we have provided over £950k of financial support to widening participation students including bursaries for care experienced and estranged students, young adult carers and students from households with income below £25k.



### Getting a scholarship has helped with the financial burden that comes with being a mature student and a parent

When Amy came to Herts and heard about the Gittins Family Bursary for Nursing, she – as a mature student and single parent – jumped at the chance to apply. The bursary, supported by the Gittins Family Trust, gives £3,000 over three years of study to three Adult Nursing students, and is specifically for students with a household income of less than £40,000. It's made a significant difference to Amy's studies: she's used it to buy textbooks, training footwear and to cover placement travel costs. The bursary payments have also enabled her to meet the rising costs of living and her training costs without over-straining her family budget. Amy says: "The Gittins Family Bursary has made a real difference to my learning here at Herts. It's helped with the financial burden that comes with being a mature student and a parent

**Amy Willmore**, BSc Adult Nursing  
Gittins Family Bursary Scholar

### Flexible and accessible education

We've launched a new partnership with sector-leading Skilled Education to enhance our online, distance learning programme – offering 25 flexible, accessible, high-quality postgraduate online courses to people anywhere in the world. Created with lifelong learning in mind, the courses are suitable for people kick-starting their career or looking to take a step up or a change of direction in their professional journey.



## National Student Survey

In August 2023, our regulator, the Office for Students (OfS) published the 2023 National Student Survey (NSS) results. The annual national survey of all final year undergraduate students also contributes to university league tables. The survey asks a series of questions within themes: Teaching on my Course, Learning Opportunities, Assessment and Feedback, Organisation and Management, Learning Resources and Student Voice.

We were thrilled to score above the sector average in all survey themes this year; placing us 26th in the country and 1st in the East of England. We did particularly well in organisation and management (77.7% compared to 73.6% across the sector), student voice (74.8% vs 71.9%) and learning opportunities (84.1% vs 81.4%). We also exceeded the average, overall survey response rate of 71.5% across the sector, with 75.5% of eligible Herts students completing the survey.

## Postgraduate Taught Experience Survey

We ranked 2nd overall in the Postgraduate Taught Experience Survey and we are in the top five across every section of the survey, including 1st for skills development

This year saw 101 institutions take part in the survey, with an overall sector response rate of 21.4%. At Herts, 4,234 students (29.5%) completed the survey, putting us 8.1% above the sector for responses. Our overall student satisfaction score was 93% this year, compared to 89% in 2022, 80% in 2021, and the 2023 sector average of 83%.

The survey is delivered through Advance HE, who, through collaboration with the sector, set the standards for teaching and learning in higher education. The survey provides taught postgraduate students with the opportunity to comment anonymously on their experience of learning and teaching, providing us with valuable insight to measure and make changes to the learning and teaching experience.

The survey includes questions on the full study cycle of taught postgraduate students, including Overall Satisfaction (2nd), Skills Development (1st), Assessment (2nd), Support (2nd), Engagement (3rd), Organisation (4th), Teaching (5th), Resources (2nd), and Community (2nd).



## University Guide league tables

Alongside the usual three annual university league tables – The Complete University Guide, The Times Good University Guide and The Guardian University Guide – the Daily Mail published their first ever University Guide this year. We were pleased to see that, after taking our latest NSS results into account, they ranked us 62nd overall out of 128 universities. Top performing measures included our Teaching Excellence (ranked 33rd); Student Experience (ranked 36th); and our Student Support (ranked 40th), collectively showing a positive overall outcome.

The Times Good University Guide and The Guardian University Guide, which both used retrospective data, ranked us 95th and 87th. Highlights from these results include The Times ranking our social work course 13th out of 75 and our radiography 15th out of 25. The Guardian then ranked our physiotherapy course 4th in the county, our nursing 9th out of 79 universities and midwifery 16th out of 52 – climbing 25 places since last year.

The 2024 Complete University Guide league table placed us 83rd in the country. We climbed 21 places for our nursing course which put us in the top third of the league table. We also moved up 34 places for biological science, and climbed 31 places for psychology.



## Gaining a degree gave me the confidence to work on larger scale projects

Kallum is a Quantity Surveyor for construction company Morgan Sindall. He graduated in 2022 after studying BSc (Hons) Construction Management at Herts part-time alongside full-time work. He is now working on the University's £89m physics, engineering and computer science building – a hub for innovation, research and science that will open in 2024. It's his largest and most exciting building project so far. His degree has enhanced his career prospects by progressing from Assistant Quantity Surveyor to Quantity Surveyor.

**Kallum Baker**, BSc (Hons)  
Construction Management  
Quantity Surveyor at Morgan Sindall





# Research

## **We pioneer frontline research that translates into real-world solutions**

Our reputation for globally impactful, commercially viable research attracts a community of expert researchers and project leaders whose calibre boosts the quality of our teaching and business support. As a result, our research activity has generated £70m for the economy since 2021.

In last year's report we celebrated our 2021 Research Excellence Framework successes, such as ranking in the top 25% of all UK universities for research impact and having the highest rise of 61 places for research impact of

any UK university. This year, we have continued succeeding, with awards from the Arts and Humanities Research Council (AHRC) of £450k, and the Economic and Social Research Council Impact Acceleration Account of £1.25m. We have also been awarded £1.7m of UK Research Institute funding for 2022-2028 to develop the impact of our Arts, Humanities and Social Science Research.

## Postgraduate Research Experience

We were pleased to be ranked 30th in the Postgraduate Research Experience Survey (PRES) 2023 for overall student satisfaction in research degree programmes.

We achieved a 52.8% participation rate – 22% above the sector average – and Herts performed above all four sector benchmarks (including both the Russell Group and the University Alliance) in seven of the 10 survey areas. We performed particularly well in Resources (13th out of 99), Progression (14th out of 100), Support (20th out of 100), Professional Development (23rd out of 100) and Responsibilities (25th out of 100). We also saw a 5% improvement in our Research Culture score from 2021.

At School level both Physics, Engineering and Computer Science (SPECS), and Education have performed extremely well, being higher than all benchmarks for all 10 category aspects, and Resources (85%) was a strong area this year with a 7% increase from 2021.

## HR Excellence in Research Award

We are one of just four universities to retain the HR Excellence in Research Award after being reassessed after a 12-year review process. Retaining the award allows Herts to continue demonstrating our long-term commitment to the career development of researchers.

## Our research discovered that redistributing waste food can save the UK £225m a year

A study by our Hertfordshire Business School researchers for FareShare, the UK's largest food distribution charity, measured the socioeconomic impact redistributing good-to-eat food is having for both the government and the beneficiaries. The research found that the charity's work of reallocating surplus food saves the government more than £117m annually, and saves those receiving the food over £107m collectively each year, alongside supporting significant savings to the NHS, childcare and food waste disposal costs. As a result of the report, FareShare called upon the government to invest £25m a year into waste food redistribution.

## Our astrophysics research is world-leading

Dr Emma Curtis-Lake, Webb Fellow in SPECS, continued her research with access to the ground-breaking James Webb Space Telescope (JWST). Her work with an international team of astronomers led to two new research papers, confirming for the first time that JWST is observing the earliest galaxies ever – dating back to 400 million years after the Big Bang, when the Universe was just 2% of its current age. Other recent Herts astrophysics research successes include Professor James Geach discovering the furthest ever detection of a galaxy's magnetic field; Dr Benjamin Wehmeyer and Professor Chiaki Kobayashi, co-authoring a paper showing how radioactive isotopes reach Earth by surfing supernova blast waves; and Dr Jonny Pierce unlocking the mystery of how quasars – the most powerful objects in the Universe – come into existence.





# Enterprise

**We deliver transformative benefits for the economy and our communities**

As an anchor institution, we're uniquely positioned to respond to employers' talent- and workforce-development challenges. We provide students, graduates, entrepreneurs, start-ups and scale-up businesses with the right expertise, facilities and entrepreneurial networks to achieve their full potential. We also welcome businesses to the University Enterprise Zone and offer flexible ways for businesses to work with us.

**Our economic output in Hertfordshire was **£330m****

**£70m of economic benefit for the UK generated from our research productivity**

**Our international community supported **1,650 local jobs** alone**



## Regional economic development

Hertfordshire is a key employment hub that currently employs some 680,000 individuals with a further 100,000 new jobs planned by 2031. This means the workforce, development needs and career opportunities across the region are phenomenal. They include opportunities within world-class creative media including Elstree Studios and Warner Bros; advanced manufacturing organisations such as Nestlé and Henkel; multinational pharma and life sciences companies including GlaxoSmithKline and Roche, and the globally renowned 'Golden Research Triangle' that links London, Oxford and Cambridge. As Hertfordshire's only university, we work closely with local authorities, charitable organisations, industry and local enterprise partnerships to meet educational needs that support county-wide employment and productivity.

## Boosting the region's productivity

Hertfordshire's economy is more productive than the national average, ranking 5th highest among Local Enterprise Partnerships (LEP) areas in terms of gross value added per job vacancy filled. However, data suggests that the county of Hertfordshire has still experienced below average growth in productivity (17%), compared to both the wider East of England and national average (18% and 23%); suggesting it has lost its competitive advantage.

To tackle this, the Hertfordshire LEP's enterprise and innovation strategy has prioritised several high-productivity sectors for growth: life sciences, agri-tech, advanced manufacturing, sustainable construction and the creative industries. We have responded to this by introducing four clusters of excellence as part of our enterprise strategy, that mirror the LEP's sectors while also having a focus on sustainability, equality, diversity and inclusion. These clusters bring together expertise from across the institution and offer a central point for businesses and partners to collaborate and deliver innovative knowledge-exchange activities, while supporting talent and workforce development, research and insights, and growth and productivity.

## Career-focused

We're a vocation-first university. We are committed to equipping our graduates with the skills, knowledge and connections to take an active part in the social and economic development of our local, regional, national and international communities post-university. Our latest Graduate Outcomes results showed that 93.5% of our graduates are in employment/**further study** within 15 months of leaving university, while 77.7% of our graduates are in **graduate-level employment/further study** within 15 months of leaving university.

Our graduates have access to our careers and employment service and we have recently launched the careers studio model and professional network community. Our award-winning careers coaches provide students and graduates with the advice and support to move their career in the right direction. During 2023, more than 2,500 students engaged with our career coaches; 4,000 students and graduates have used the careers studio; and 5,000 have used our career platforms.



## Entrepreneurs in Residence

To strengthen opportunities for students and staff to work and partner with industry we appointed two Entrepreneurs in Residence (EiR). Raphael Sofoluke and Suzanne Meenan were officially appointed in March 2023. They will contribute to various university programmes, including providing expert advice and support to students, staff and SMEs, and knowledge-exchange projects.

The roles and accompanying activities are the latest addition to the University's Enterprise Zone provision, where collaborations between academia and industry create opportunities for innovation and growth. This approach to knowledge exchange has provided businesses with over £1.7m worth of expertise and support since it was launched in 2019, resulting in several impressive outputs, including supporting over 300 SMEs during the last year alone and inspiring 226 students and alumni to launch their own start-ups during the last three years.



### Meet Raphael Sofoluke

Raphael graduated from Herts in 2013 with a degree in Business and Law. He is a renowned activist driving diversity and inclusion within the business sector. In 2017 he founded the UK Black Business Show and was listed as one of Forbes 25 Leading Black British Businesspeople to Follow in 2020. He will bring his knowledge of the business world and entrepreneurial skills to students: acting as a one-to-one mentor, giving seminars on entrepreneurial thinking, and helping to deliver a business incubator scheme.



**I'm really excited and proud to be appointed an Entrepreneur in Residence at the University of Hertfordshire. I spent a number of crucial years of my life here, and to be back to support other students on their entrepreneurial journey really excites me**





## Meet Suzanne Meenan

Suzanne Meenan has a background in research and development and has worked in commercial roles at GlaxoSmithKline and NHS England, as well as running her own consultancy business. Her two-year placement has been funded through the Royal Society's Entrepreneurs in Residence programme, which provides opportunities for experienced industry experts to spend one day a week at a UK university developing a bespoke project.

Suzanne will mentor students and academic staff, as well as delivering masterclasses; evaluating entries for entrepreneurship awards; and supporting the delivery of the Herts Healthcare Accelerator programme.



**Having worked across the bio-pharmaceutical industry and some of its interfaces with the NHS, I hope to give researchers and entrepreneurs a depth of understanding that will enable them to develop their innovations with a focus on commercialisation right from the start**

## Apprenticeships for high priority sectors

We collaborate with four, local, further education colleges, and work in partnership with over 250 private and public sector employers to deliver apprenticeship programmes that enable organisations to attract early career talent and equip their people with the expertise and skills they need to succeed in today's fast-paced workplaces.

Our offer includes 12 apprenticeship programmes catering to the needs of high priority sectors, including health and social care, engineering and leadership and management. In September 2022, we were supporting 805 active apprenticeships, 61% of which were women apprentices and 31% of which were Black, Asian and Minority Ethnic apprentices.



**Working with the University of Hertfordshire is helping to solve our workforce challenge**

There is real benefit to being able to collaborate and partner with a university such as the University of Hertfordshire on apprenticeship programmes, as it allows us to offer our voice in creating and shaping them. This in turn enables us to identify and eliminate pain points across our workforce.

University support is very much key to the success of the apprenticeship programmes as we continue to grow the numbers in the coming years.

### Mark Sheerin

Senior Early Careers Business Partner  
at Leonardo UK

# Global engagement

## We're a globally engaged university, providing international opportunities for students and staff

Building a diverse community on our campus and increasing flexible programme delivery for the overseas market are key priorities. Our large international community is an asset for us and the wider nation. One of the largest exporters of higher education in the UK, we are proud to have the 7th largest international student population nationally and the largest of any university in the East of England.

Our international students diversify and enrich our student community, boost our export earnings to invest back into teaching and services, develop innovative new research and help fill the crucial UK skills gap especially in the STEM and health care sectors, as well as academia. A 2021 report by Universities UK International (UUKi) and the Higher Education Policy Institute (HEPI) revealed that the benefits of hosting international students far outweigh the costs: with the annual net economic impact worth an estimated £37bn to the UK economy.



## Our research shows huge potential for real-world impact

Originally from Chennai in India, I applied to study a PhD in medical robotics at Herts to work with Professor Farshid Amirabdollahian, who is internationally renowned for his assistive robotics and human-robot interaction research. Together, we've created the WiGlove; a smart, home-based robotic hand and wrist rehabilitation device for stroke survivors, which shows huge potential for real-world impact.

### Vignesh Velmurugan

Physics, Engineering and Computer Science  
PhD student

## Overseas partnerships

We're committed to providing opportunities for even more people around the world to transform their lives with Herts' high quality and career-focused education.

We have 19 active Transnational Education (TNE) partnerships across five different regions; operating several different partnership models including franchise, supported distance learning, dual awards, fly-in faculty, articulation, and progression agreements, and generating over £5m in revenue.

We're continuing to strengthen our international partnerships, including with the Global Academic Foundation in Egypt and The Millennium Universal College in Pakistan, with over 5,000 global students currently studying for Herts qualifications.

The University of Hertfordshire is proud to be a participant of the QE-TNE scheme. The scheme independently measures quality across the UK's Transnational Education sector and promotes continued evaluation, improvement, and collaboration on a global scale.



## Global Partner Conference

We hosted our first Global Partner Conference in June 2023, inviting 13 delegates from nine of our global partners to visit our campus. We welcomed guests from Malaysia, China, Egypt, Singapore, Sri Lanka and Pakistan. This was an excellent opportunity for our partners to see our campus, network with our academics, and have productive discussions on the future of our TNE partnerships.

## First graduates from our partnership campus in Egypt

Our first cohort of students from our partnership campus in Egypt graduated in September 2023. The graduation ceremony, hosted by the Global Academic Foundation (GAF), celebrated the inaugural graduation of 54 students in Business, IT, Mass Communications and Pharmaceutical Sciences courses. With 1,814 students currently studying across 14 courses, and the GAF campus continuing to grow through investment in the estate and the delivery of new courses, we look forward to many more graduations to come.

## Global Experience Strategy

Our Global Experience Strategy aim is to ensure that 10% of students and staff have a global experience during their time at Herts to enrich their studies and work. While work is on-going to increase opportunities, students and staff are already taking part in many activities. These include Geography and Environment staff and students visiting Svalbard; multiple study abroad opportunities; participations in global conferences; virtual events; research collaborations, and overseas events run by the Hertfordshire Students' Union.





# People and values

## Our people are fundamental to the success of Herts

We want our people to push boundaries and solve the most important challenges of our time. Most importantly, we want them to be proud to have studied, worked or partnered with Herts in the UK and around the world.

The inclusion of different voices and unique perspectives is important to the continued growth and achievements at Herts. Through our surveys, we measure what we do well and where there's room for improvement. Our 2022 staff survey showed that 95% of staff agreed that having

a good working relationship with colleagues and students makes Herts a great place to work. Although this is great news, there are still areas we need to build on, such as improving the feedback loop between the leadership team and staff body with greater visible listening. Activities are already in place to drive improvements.



We are committed to building a community made up of the best people, which is diverse at all levels and supports and develops our staff and students throughout their careers to achieve their potential. Our staff programme for training and development continues to grow. In 2023, we saw several members of staff complete apprenticeship programmes, the Advance HE Aurora Leadership Development Programme for Women, and the Advance HE Diversifying Leadership Programme.

We also saw 32 of our staff receive academic promotions, recognised for academic excellence and demonstrating their achievements through their profession. Our annual Vice-Chancellor Awards also celebrated the amazing achievements of our staff. From those who make a difference through their teaching, academic or technical support, to researchers who drive innovation in their field, and team members who support and empower those around them.

Our people play a vital role in shaping the future of Herts and we believe in the importance of supporting equality, diversity and wellbeing in the workplace. We hosted our first EDI Conference in June 2023, which was a great success. It provided an opportunity to celebrate our successes, face our challenges and be empowered to make real change happen at Herts. Through our many networks such as the disability and wellbeing network, LGBTQ+ and the careers network, we provide a quiet place where people can support each other. Showing solidarity in events such as Deaf Awareness Week, Lesbian Visibility Week and South Asian Heritage month is key to fostering an inclusive culture.

## Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. These regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. Data for the period 1 April 2022 to 31 March 2023 is published on the University's website at: [go.herts.ac.uk/TradeUnionFacilityTime](https://go.herts.ac.uk/TradeUnionFacilityTime). This has been updated to cover the accounting reporting period 1 August 2022 to 31 July 2023 (comparatives are not required to be presented under the regulations) and is as follows:

	2023
	Number
Number of trade union representatives	26
Full-time equivalent number of trade union representatives	25.0
<b>Percentage of working hours spent on trade union facility time</b>	
0% of working hours	-
1 to 50% of working hours	26
51 to 99% of working hours	-
100% of working hours	-
<b>Percentage of staff costs spent on facility time</b>	
	£'000
Total staff costs for the University	155,178
Total cost of facility time	157
Percentage of staff costs spent on facility time	0.11%
<b>Paid trade union activities</b>	
Percentage of total paid facility time spent on paid trade union activities	10.22%





# Sustainability

## Reducing our carbon footprint is a key priority

At Herts, we are committed to reducing the environmental impact of our estate and activities and to championing a sustainable mindset across our communities.

We have committed to becoming net zero by 2050. By adopting an integrated approach and setting ambitious targets, the University aims to reduce its carbon impact in line with science-based targets while empowering positive action within the community.

Our aims are aligned with the United Nations' Sustainable Development Goals framework and our environmental objectives ensure a holistic and inclusive approach to sustainability. We have focused our Environmental and Sustainability framework around four key impact areas: climate change, biodiversity, waste and resource management, and sustainable communities. These are embedded through four pathways: estate and operations, sustainable communities, education and student experience, and research, enterprise and knowledge exchange. These pathways reflect our impact, research and influence, and provide a framework for delivering our environment and sustainability aims and objectives.

**More than 100  
members of staff  
trained in our  
Carbon Literacy  
programme**

**20%  
reduction  
in carbon  
emissions**  
2018-19 – 2021-22

**21%  
reduction  
in water  
consumption**  
2018-19 – 2021-22

## Campus investment

As educational institutions, workplaces and homes for tens of thousands of individuals, our campuses are vital to the lives of many, which is why we continue to invest in improving them. Our 2030 Estates Vision responds to the latest learning, technological, working and sustainability trends to ensure our diverse communities are provided with top of the range equipment and inspiring spaces. Over the next decade, we're investing £242m to further enhance our campus facilities, equipment and buildings, including £89m on our new School of Physics, Engineering and Computer Science building, opening in September 2024.

This latest project has been designed with the University's net zero carbon target in mind. During the construction, waste is being diverted at a rate of 97%; the hoardings surrounding the construction site are closed loop carbon neutral, reducing carbon by 10 tonnes; all CCTV, noise, pollution and vibration monitors used throughout the construction are solar powered removing the need to draw electric; the site cabins are from the Elliot eco-cabin range, meaning all taps are on sensors and lighting is on PIR's to create both electric and water efficiencies.

The simplification of the structure has reduced the overall height of the building by 1.4m, drastically reducing the amount of carbon within the structure, saving approximately 100 tonnes of carbon.

## Activities supporting our objectives

Our engagement programme offers opportunities to learn, share, celebrate, and participate in sustainability activities on campus and beyond, galvanizing our community around a common purpose.

Our Widening Access and Participation and Inclusion team promote accessible, inclusive and relevant sustainability good practice. They also collaborate with local schools and partnerships in and around Hertfordshire, supporting initiatives such as Youth COP, the KS3 STEM Climate Change Summit and the Outdoor Education Activity Day.

## Global campaign

We have signed up to the United Nations' Race to Zero global campaign, aimed at creating a healthy, resilient, zero carbon recovery that prevents future threats, creates good jobs and unlocks inclusive, sustainable growth. Our net zero action plan sets out Herts' approach to addressing the climate crisis and provides details and clarity around our intentions and commitments. The plan considers both positive and negative climate impacts across all pathway areas and sets out our approach to mitigate or harness these.

Our net zero plan sets our intentions and commitments to meeting our carbon targets and combating the climate crisis. For some areas in Scope 3, we are still in the early stages of developing methodologies to account for our emissions in those categories and understanding how this translates into meaningful targets and action plans

## Powering a sustainable future

We held our first Powering Sustainable Future conference in July 2023 which brought together academics, professionals, business leaders, students, community groups, councillors, and local government officers, all working towards the same goal – to help deliver a safe, sustainable and thriving planet.

We are also trialling a number of innovative new initiatives, such as a new carbon food labelling system. This displays the environmental scores of meals in the hope that it will encourage students and staff to choose 'green' foods – primarily meat-free or plant-based ones. Data will be gathered towards the end of the year.

## Green skills





The green jobs market has grown rapidly over the last few years to keep up with central, local, and sector commitments to net zero. This is positive news for social, economic, and environmental purposes but has highlighted shortages across the sector. Herts has committed to closing this gap by: embedding the sustainability driven graduate attributes into all academic programmes; working with employers to understand their specific workforce needs; and developing innovative apprenticeship and short courses to upskill and expand knowledge and workplace effectiveness in this area.



























# Key risk indicator

To support the strategy and its key performance indicators, the Board identifies and closely monitors business risks through regular review of the University's corporate risk register.

**Key** Risks are scored using a 5 by 5 scoring matrix for likelihood and impact. The resulting residual risk score considers the mitigations in place and is rated:

 <b>Red</b> (significant risk 16-25)	 <b>Amber</b> (high risk 12-15)	 <b>Yellow</b> (medium risk 5-10)	 <b>Green</b> (low risk 1-4)
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Risk	Mitigations	Rating
<b>Education and Student Experience</b>		
Failure to deliver a high-quality student experience	<ul style="list-style-type: none"> <li>Student experience is a standing item on Chief Executive Group agenda and awareness is informed by the National Student Survey (NSS) and through module feedback.</li> <li>Well-established student wellbeing services in place, including a Personal Tutoring Framework to support students.</li> </ul>	
Failure to offer workplace engagement and overseas learning opportunities	<ul style="list-style-type: none"> <li>Engagement with students and graduates by Careers and Employment service and Schools.</li> </ul>	
<b>Research</b>		
Loss of key research staff	<ul style="list-style-type: none"> <li>Regular engagement with, and monitoring of, key research staff to manage retention.</li> </ul>	
<b>Enterprise</b>		
Failure to maintain effective relationships with University subsidiaries	<ul style="list-style-type: none"> <li>Sound management and governance arrangements for subsidiaries in place, with close monitoring of financial planning and budget performance by executive and non-executive directors.</li> </ul>	
<b>Global Engagement</b>		
Failure to develop and maintain strong and beneficial international partnerships	<ul style="list-style-type: none"> <li>Regular monitoring of international partners and robust due diligence on potential partners.</li> </ul>	
<b>People</b>		
Failure to recruit, retain and ensure wellbeing of staff, and failure to effectively forward plan to support future University workforce needs	<ul style="list-style-type: none"> <li>People Strategy and Equality, Diversity and Inclusion Strategy in place and being embedded.</li> <li>Established Wellbeing services with network of Wellbeing Champions and online employee support service.</li> </ul>	
Employee Relations – Local	<ul style="list-style-type: none"> <li>Engaging in both formal (JNCC) and informal discussions with local Trade Unions and senior management.</li> </ul>	
Major incident/accident on campus	<ul style="list-style-type: none"> <li>Close relations with police and emergency services, with on-campus presence through Community Police Team.</li> <li>Periodic mock/rehearsals of emergency planning/business continuity protocols.</li> </ul>	
<b>Financial Sustainability</b>		
Failure to maintain a financially sustainable position	<ul style="list-style-type: none"> <li>Robust financial management controls with regular forecasting and scenario planning.</li> </ul>	
Failure to meet student recruitment targets	<ul style="list-style-type: none"> <li>Robust recruitment systems, plans and campaigns in place, supported by regular analysis of market position and enhanced use of social media and ongoing contact with applicants.</li> <li>Continued engagement with UK and International agencies.</li> </ul>	

Failure to prepare for impact on University of key external influences, for example industrial action	<ul style="list-style-type: none"> <li>■ Robust horizon scanning processes in place.</li> <li>■ Active engagement and lobbying on key issues.</li> <li>■ Communicate to staff and students on impact of industrial action.</li> </ul>	
Failure to manage student debt tolerance levels determined by the Board	<ul style="list-style-type: none"> <li>■ Regular reporting on student debt to senior management team.</li> <li>■ Support provided to students in managing their debt, including access to University Financial Assistance Fund.</li> </ul>	
<b>Compliance</b>		
Failure to comply with legislation and statutory duties	<ul style="list-style-type: none"> <li>■ Strong processes and training in place for key legislation, such as GDPR and UK Visas and Immigration (UKVI).</li> <li>■ University Data Protection Officer in post, and dedicated teams in place to manage UKVI compliance.</li> </ul>	
Failure to complete and submit accurate and timely data returns in line with Data Futures requirements	<ul style="list-style-type: none"> <li>■ Engagement with software provider and implementation of final upgrade of Student Finance system.</li> <li>■ Preparation of in-house workaround solutions as back up.</li> <li>■ Engagement with OfS to keep them updated of issues.</li> </ul>	
Failure to comply with the Office for Students (OfS) conditions of registration	<ul style="list-style-type: none"> <li>■ Full and ongoing engagement with the OfS, partners and professional bodies to ensure awareness of any changes to, or new regulations or guidance.</li> <li>■ Officer Assurance Group monitors ongoing compliance with OfS Conditions of Registration.</li> </ul>	
Failure to fulfil safeguarding duties and ensure the safety and wellbeing of children and vulnerable adults	<ul style="list-style-type: none"> <li>■ Clear policy and procedures in place which are communicated to University staff and students.</li> <li>■ Formal safeguarding responsibilities within Schools.</li> <li>■ Engagement with external groups and Herts Consortium to ensure awareness and alignment of Prevent policies.</li> </ul>	
Failure to effectively manage the statutory compliance aspects of the estate	<ul style="list-style-type: none"> <li>■ Ten-year Facilities Management contract in place until 2027.</li> <li>■ Monthly reporting on statutory compliance down to building level.</li> </ul>	
<b>Sustainability/Infrastructure</b>		
Significant Cyber Security attack having impact on multiple users	<ul style="list-style-type: none"> <li>■ Strong awareness raising of cyber risks to all staff and encryption of all new devices.</li> <li>■ Strong network security processes and anti-malware solutions in place with regular penetration testing.</li> <li>■ Roll out of Multi-Factor Authentication (MFA) to staff and students.</li> </ul>	
Failure of a key supplier	<ul style="list-style-type: none"> <li>■ Regular monitoring of key suppliers by Procurement, Learning and Computing Services, and Estates teams to provide early warning of supplier failure and wide use of purchasing consortia.</li> </ul>	
Failure of IT Infrastructure	<ul style="list-style-type: none"> <li>■ IT Infrastructure and replacement cycles reviewed, and additional contingencies developed to ensure continuity of service if IT fails.</li> </ul>	
Failure to prepare for the impact of a major disaster on the University	<ul style="list-style-type: none"> <li>■ Clear business continuity arrangements in place which have been reviewed and tested.</li> <li>■ Gold, Silver and Bronze executive teams to manage and respond to crises.</li> </ul>	
Failure to maintain and develop the University estate	<ul style="list-style-type: none"> <li>■ Estates 2020 Project reviewed to ensure continued relevance to University strategy.</li> </ul>	
Continuity of food and catering provision	<ul style="list-style-type: none"> <li>■ Close monthly monitoring of catering income and costs.</li> <li>■ Flexibility in managing food outlets and menus in response to staffing and supply chain constraints.</li> </ul>	
Progression and completion of the SPECS building project within agreed budgets and timescales	<ul style="list-style-type: none"> <li>■ Detailed project plan, which is regularly monitored.</li> <li>■ Clear contract terms with close working between Estates senior management and contract managers.</li> </ul>	

# Student numbers

The following tables show an analysis of our student profile for 2022-23.

## Mode and level of study

<b>Full-time and sandwich</b>	Postgraduate research	430
	Postgraduate taught	14,250
	First degree	12,950
	Foundation degree	230
	Other undergraduate	50
	<b>Total</b>	<b>27,830</b>
<b>Part-time</b>	Postgraduate research	350
	Postgraduate taught	4,020
	First degree	1,190
	Foundation degree	220
	Other undergraduate	980
	<b>Total</b>	<b>6,840</b>
<b>Total students studying within the UK</b>		<b>34,670</b>

## Gender

Female	16,560	47.8%
Male	16,860	48.6%
Other	220	0.6%
Information refused	1,040	3.0%
<b>Total</b>	<b>34,670</b>	<b>100.0%</b>

## Geographic region

England	17,190	49.6%
Wales	130	0.4%
Scotland	60	0.2%
Northern Ireland	50	0.1%
Guernsey, Jersey and the Isle of Man	10	0.0%
European Union	560	1.6%
Non-EU	16,660	48.1%
Information not available	10	0.0%
<b>Total</b>	<b>34,670</b>	<b>100.0%</b>

Student numbers represent head count not FTE (full-time equivalent). All student number figures are rounded to the nearest 10. Total figures are also rounded to the nearest 10. The sum of numbers in a table may not match the total shown.

## Subject area

Medicine and dentistry	860	2.5%
Subjects allied to medicine	6,710	19.4%
Biological and sport sciences	650	1.9%
Psychology	780	2.3%
Agriculture, food and related studies	10	0.0%
Physical sciences	160	0.5%
Mathematical sciences	390	1.1%
Engineering and technology	2,410	7.0%
Computing	4,470	12.9%
Geography, earth and environmental studies	580	1.7%
Architecture, building and planning	340	1.0%
Social sciences	1,490	4.3%
Law	1,270	3.7%
Business and management	10,740	31.0%
Media, journalism and communications	240	0.7%
Language and area studies	120	0.3%
Historical, philosophical and religious studies	140	0.4%
Design, and creative and performing arts	1,590	4.6%
Education and teaching	1,630	4.7%
Combined and general studies	80	0.2%
<b>Total</b>	<b>34,670</b>	<b>100.0%</b>

## Students from outside the UK – Top 10 countries

India	7,300	21.0%
Nigeria	3,060	8.8%
Pakistan	2,600	7.5%
Bangladesh	1,870	5.4%
Sri Lanka	280	0.8%
China	180	0.5%
Portugal	130	0.4%
Hong Kong (Special Administrative Region of China)	130	0.4%
Nepal	100	0.3%
Malaysia	90	0.3%
<b>Total</b>	<b>15,730</b>	<b>45.4%</b>

## Students studying wholly outside the UK

### Students on overseas franchise programmes

Malaysia	2,440
Egypt	1,870
Singapore	110
Sri Lanka	100
Brazil	40
United Arab Emirates	20
<b>Total (students on overseas franchise programmes)</b>	<b>4,570</b>

Students on distance learning programmes outside of the UK (across 107 countries)	2,100
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<b>Total (students studying wholly outside the UK)</b>	<b>6,670</b>
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<b>Total student numbers</b>	<b>41,340</b>
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#GoHerts



# Financial review

The Group consists of the University of Hertfordshire, its subsidiary undertakings and joint ventures as shown in notes 16 and 17 of the financial statements.

Financial surplus and liquidity are critical to addressing the requirements and objectives of the strategic plan by delivering sustainability and providing investment opportunities to benefit students.

Despite another difficult and competitive trading environment with UK tuition fees remaining fixed at £9,250, high inflation and some remaining post-lockdown impacts, the Group made a surplus for the year and remains well placed to deal with changes in the external environment, including future changes which may be introduced by government.

## Financial results for 2022-23

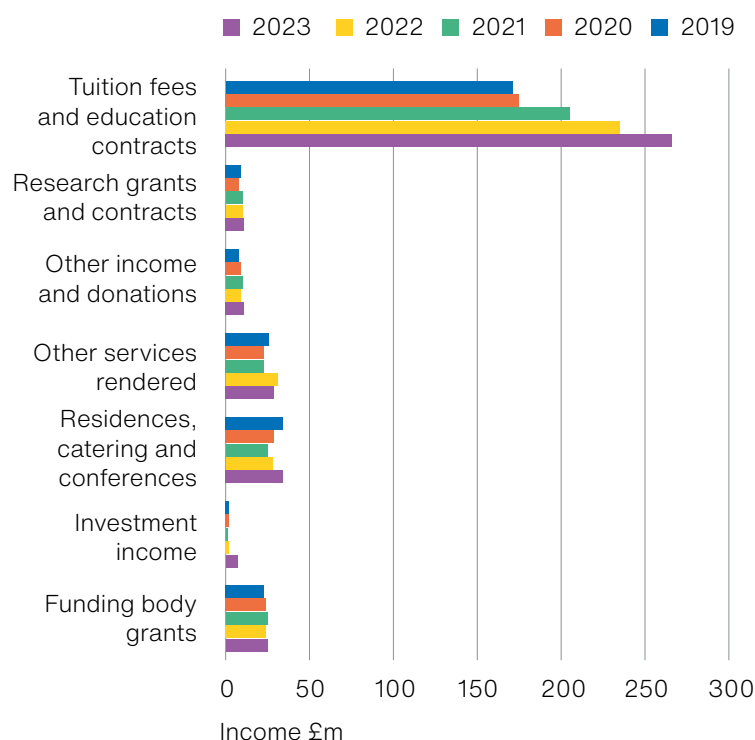
The Group made a surplus for the year of £19.9m (2022: £6.3m) and recorded total comprehensive income of £25.4m (2022: £104.7m). The 2022 figure included a significant adjustment in respect of the Local Government Pension Scheme (LGPS) which did not recur in 2023 as shown below.

	2023 £m	2022 £m
Surplus for the year before pension cost adjustments	23.3	22.3
LGPS service cost and interest charge	(4.0)	(14.5)
USS recovery plan provision decrease/(increase)	0.6	(1.5)
<b>Surplus for the year</b>	<b>19.9</b>	<b>6.3</b>
LGPS actuarial gain	6.0	98.1
Change in fair value on hedging financial instruments	(0.5)	0.3
<b>Total comprehensive income</b>	<b>25.4</b>	<b>104.7</b>

Total income increased by 13% to its highest ever level of £383.9m (2022: £339.5m).

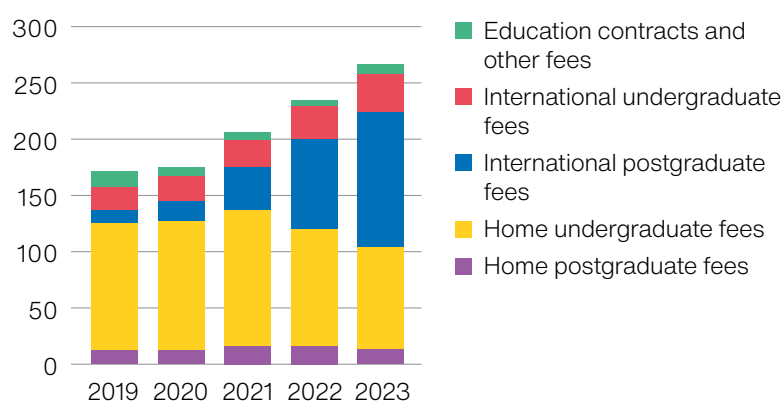
This is largely due to the recruitment of more international post-graduate students as part of our Global Engagement Strategy.

## Income analysis

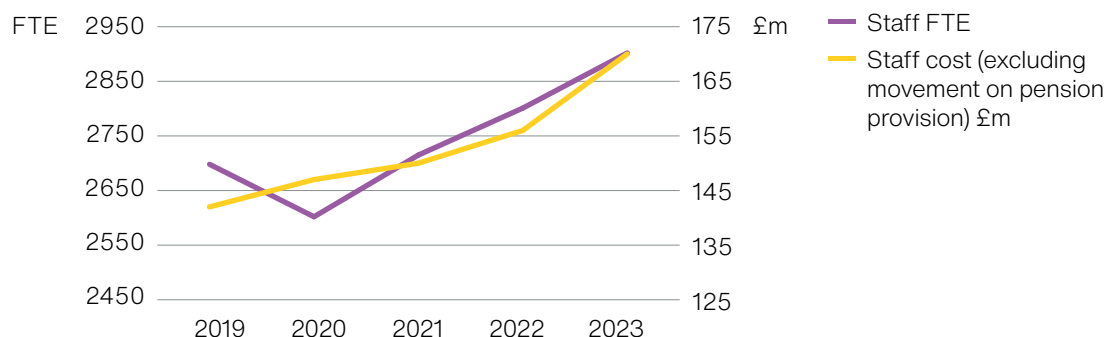


The graph below illustrates the growth in tuition fee income over the last five years and the changing profile of our student body. A full analysis of our student profile for 2022-23 is shown on page 32.

## Tuition fees



### Staff costs and staff FTE



To support this expansion, the average number of full-time equivalent staff increased by 101 in the year, a rise of 4%. Staff costs (excluding the impact of the pension provision movement) increased by £13m in 2022-23. These costs increase annually with the general pay award and annual increments where applicable. The pay award in the year was much higher than in the past decade due to high inflation.

Staffing is now the highest on record and is likely to further increase with more growth in income expected. Recruiting and retaining quality staff is critical in supporting and delivering our Education and Student Experience Strategy, as the University looks to innovate the delivery of teaching and learning. The Group has made several steps forward in the quality of provision as referred to on pages 12-17.

QR income, resulting from the very successful REF results, increased to £8.0m from £4.8m, allowing additional research activity to be supported. Examples of research activity are referred to on pages 18-19 of the strategic report. The strategy for the Group includes increasing research income by 45% from a 2019-20 baseline and we are a third of the way towards this target.

Control over costs is important as part of the Group's overall value-for-money requirement. About 47% of operating expenditure of the University Group is spent on staff costs. Other expenditure is incurred to provide state-of-the-art facilities, buildings, equipment, accommodation, and accessible learning resources. Procurement of goods and services adheres to UK law and much use is made of regional and national purchasing consortia with more than 40% of purchases made through these organisations in 2022-23. While cost inflation is an ongoing hazard, significant effort is invested in attaining best value for students,

and this has resulted in very low inflation being experienced by the Group (as measured by the Procurement Value Survey conducted by Higher Education Procurement Association).

### Monitoring financial performance

The key performance indicators, as set by the Board of Governors, include three which are measured financially:

	2023 Actual	2023 Target	2022 Actual	2022 Target
EBITDA	<b>£40.9m</b>	<b>£40.2m</b>	£39.8m	£35.2m
Research income	<b>£11.4m</b>	<b>£11.4m</b>	£10.1m	£10.7m
Other operating income	<b>£73.7m</b>	<b>£69.4m</b>	£68.0m	£69.6m

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved largely because of the increase in income in 2022-23, mostly from international students and this also meant that several of the following metrics were also better than in 2021-22.

Financial metric	2023	2022
Surplus as % of total income	<b>5.2%</b>	1.8%
Cash flow as % of total income	<b>13.4%</b>	16.1%
External borrowing as % of total income	<b>13.9%</b>	16.6%
Unrestricted reserves as % of total income	<b>99.2%</b>	100.5%
Net liquidity (total expenditure less depreciation) in days	<b>178 days</b>	176 days
Total assets/total liabilities	<b>2.4</b>	2.6

### Capital investment

By far the largest investment this year is the ongoing construction of a new Physics, Engineering and Computing facility to be opened in early 2024 amounting to £33.4m. Further information can be seen on pages 6 and 8 of this report. Enhancements to the original college building, dating from the early 1950s, are also planned along with the replacement of the Wright Building which houses several health-related facilities.

Investment has been made in teaching and research equipment, IT infrastructure, carbon reduction schemes and in supporting the University's research themes. In total, a record £41.6m was spent on capital projects during the year (2022: £29.6m), though this was less than expected due to the ongoing global supply chain problems.

### Cash flow and treasury management

Cash, including short-term deposits, increased to £168.5m (2022: £151.4m), so is healthy and adequate to fund future investment. Operating activities generated £51.5m of cash (2022: £54.7m) which exceeded the level capital investment in the year.

Investment income increased to £7.1m (2022: £1.6m) as market returns improved materially during the year. The increase in base rates has however impacted on interest payable for those loans with variable interest rates. Around 58% of the external debt is at a fixed rate and this portion is unaffected by rate rises.

External debt of £3.1m (2022: £2.9m) was repaid in the year reducing to £53.5m (2022: £56.2m). It is not envisaged that further external borrowing will be needed in the foreseeable future, but the Board considers that there is substantial headroom if the need arose. Cash generation is imperative to support investment in all aspects of the Group's strategy. All loan covenants were met during the year.

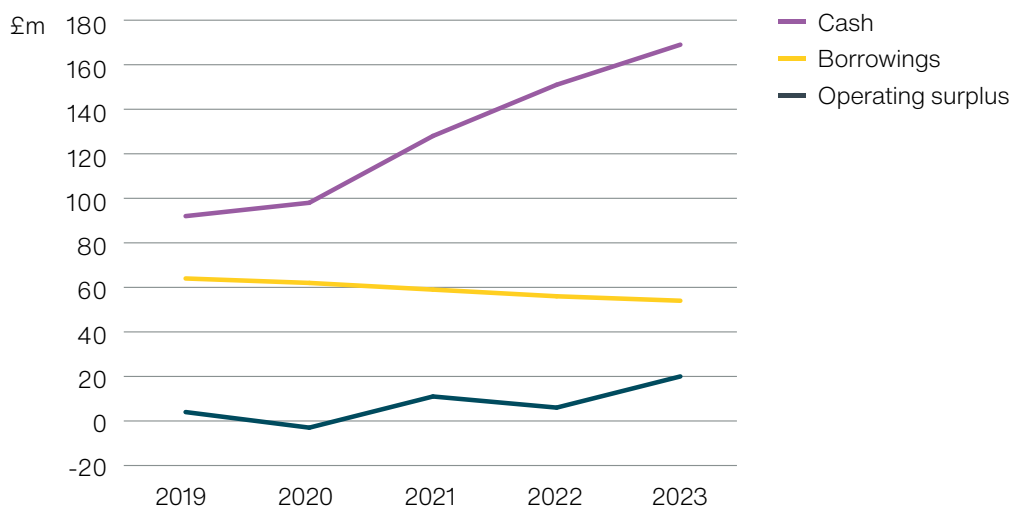
### Subsidiary companies

The subsidiary companies provide many links with business communities and the local population more generally as part of the Enterprise Strategy. Universitybus Limited – branded as Uno – increased turnover to £15.3m making a profit of £1.2m; Exemplas Limited, after further rationalisation, turned over £9.7m and recorded a £0.8m profit; UH Ventures Limited, which provides conferencing facilities and other commercial services, had income of £4.5m and profit of £0.4m; Polyfield Property Limited, which operates Hertfordshire Sports Village had turnover of £6.6m and a loss, after the PFI unitary charge, of £1.1m.

### Going concern

With only a single reported financial deficit since 2008-09 (which occurred in 2019-20 due to the impact of Covid-19 on student accommodation income) and its effective cost control and investment management, the Board considers that the Group remains in good financial health and in a secure position to face the uncertainties ahead. The Group is well-placed to consider and make decisions in the interests of its stakeholders, particularly the value it offers to its students.

### Group surplus, cash and borrowings (£m)







# Statement of corporate governance

The following statement covers the year to 31 July 2023 and the period up to the date of approval of these financial statements. It is provided to enable readers of the financial statements to gain a better understanding of the governance and legal structure of the institution.

## Legal status

The University of Hertfordshire is an independent corporation, established as a Higher Education Corporation in England under the provisions of the Education Reform Act 1988 and the Further and Higher Education Act 1992. It is an exempt charity under the Charities Act 2011. The University is regulated by the Office for Students (OfS) established as the regulator for English higher education under the provisions of the Higher Education and Research Act 2017 (HERA).

The University conducts its business in accordance with the seven principles identified by the Nolan Committee on Standards in Public Life; the guidance provided to higher education institutions by the Committee of University Chairs (CUC); and the requirements of the Office for Students (OfS) Regulatory Framework. The Board has adopted The Higher Education Code of Governance (CUC 2020) and is satisfied that it operates in compliance with the Code.

The University's objectives, powers and the institutional governance framework are set by the Articles of Government. Any amendments to the Articles must be approved by the OfS (previously the Privy Council).

## Governance structure

The Articles of Government require the University to establish a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities.

## Board of Governors

The Board of Governors is the University's governing body and is collectively accountable for the determination of the strategic direction and mission of the University and for oversight of its activities. It is responsible for the finance, property and staffing of the University and Group.

The Board has a majority of independent members, selected in line with criteria contained in legislation. The Chair of the Board is elected from the independent members. The Board also comprises the Vice-Chancellor, a teacher of the University nominated by the Academic Board following election by the academic staff as a whole, and a student nominated by the Trustees of the University's Students' Union.

There is also provision for the appointment of co-opted members. Mandatory co-opted members include a person having experience of the provision of education and a member of the professional staff (appointed via an election process involving all professional staff). Under an initiative to develop the Board's diversity, a Black graduate has been co-opted to the Board. The new initiative is subject to (annual) review.

No members of the Board receive any remuneration for the work they do for the Board, although they are able to claim expenses incurred in the course of undertaking their duties. In 2022-23 the Board met on eight occasions and average attendance was 89% (compared to 85% the previous year).

Members of the Board of Governors are drawn from a wide variety of sectors and industries and include senior figures with backgrounds in local government, the civil service, accountancy, business, health, pharmaceuticals, finance, politics, banking, regulation and higher education.

The Board has established a 'fit and proper' persons' framework for members of the governing body and those with senior management responsibilities.

Board meetings are held on a hybrid basis (ie, attendance in person is encouraged but where this is not possible then a member can attend remotely via MS Teams).

Members of the Board of Governors are listed on page 4. The University maintains a Register of Interests of members of the Board of Governors, the Boards of Directors of the subsidiary companies and designated officers of the Board, which may be consulted by arrangement with the Secretary and Registrar.

### Academic Board

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the University and draws its membership entirely from the staff and students of the University. It is particularly concerned with issues relating to the teaching and research work of the University. The Academic Board is chaired by the Vice-Chancellor.

### Chief Executive

The Vice-Chancellor is the head of the University and is responsible to the Board of Governors for the organisation, direction and management of the University. Under the requirements of the OfS Regulatory Framework, the Vice-Chancellor is the designated accountable officer of the University 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 University strategy, the identification and planning of new developments and the shaping of the University ethos.

Members of the Vice-Chancellor's Executive Group (the Deputy Vice-Chancellor, the Group Finance Director, the Secretary and Registrar, the Pro Vice-Chancellor (Business and International Development), the Pro Vice-Chancellor (Education and Student Experience), the Pro Vice-Chancellor (Research and Enterprise) all contribute to this aspect of work.

However, the Vice-Chancellor remains ultimately responsible to the Board in this regard. In accordance with the Articles of Government, the University's Secretary and Registrar has been designated Secretary to the Board and in that capacity provides

independent advice on matters of governance to all Board members.

### Committees

Certain matters, such as the approval of the strategic plan, the annual budget, major investments and the sale and purchase of land, are reserved matters for the Board. However, much of its detailed work is delegated to four standing committees:

- Finance Committee
- Employment, Remuneration, Governance and Nominations Committee
- Vice-Chancellor's Remuneration Committee
- Audit and Risk Committee

Other than the Audit and Risk Committee, whose constitution provides for a staff governor nominated by the Board of Governors, these committees are composed of independent and external co-opted members of the Board. The decisions of these committees are reported formally to the Board.

The Board of Governors conducts regular effectiveness reviews of itself and its committees in accordance with regulatory body guidance.

### Finance Committee

The Finance Committee is responsible for the financial management and regulation of the University and Group. It also has oversight of financial policy and management and the progress of significant capital projects. The committee normally meets five times per year.

### Employment, Remuneration, Governance and Nominations Committee

This committee is responsible to the Board for the University's overarching human resources policy framework, its component policies and changes or additions to these, and determines and reviews the remuneration and conditions of staff appointed by the Board itself, except the Vice-Chancellor. It also sets the framework of pay and conditions of those employees designated as senior managers and considers and oversees all matters relating to the good governance of the Board.

The committee is established by the Board to act as the Nominations Committee in respect of all appointments made by the Board of Governors, except that final responsibility for the appointment of the Vice-Chancellor rests with the Board itself. The committee normally meets three times per year. This committee is chaired by an independent member of the Board (who is not the Chair of the Board).

### Vice-Chancellor's Remuneration Committee

All aspects of the terms and conditions of employment, including the remuneration, of the Vice-Chancellor are determined by the Vice-Chancellor's Remuneration Committee. This committee is chaired by an independent member of the Board (who is not the Chair of the Board). The Vice-Chancellor is not a member of and does not attend this committee.

### Audit and Risk Committee

The University continues to work within the remit of the CUC Higher Education Audit Committees Code of Practice. The Audit and Risk Committee normally meets five times per year, including a meeting with the external auditors to discuss findings in relation to the audit of the financial statements. It reviews the annual financial statements prior to their consideration and approval by the Board, together with the accounting policies. The Chair of the Audit and Risk Committee also hosts an annual Thematic Enquiry related to specific risks facing the sector. The 2023 Thematic Enquiry was postponed until November 2023 which will focus on the Cost-of-Living crisis.

The Head of Internal Audit provides an annual report for consideration by the Audit and Risk Committee, and thereafter by the governing body, setting out their opinion on the adequacy and effectiveness of the University's arrangements for risk management, internal control and governance, and its processes for ensuring economy, efficiency and effectiveness (value for money). This report also sets out Internal Audit's approach to the review of data quality. The opinion is based on the work of the Internal Audit service, the detailed findings from which are presented to the committee during the year.

The committee ensures that the systems and processes for the preparation of statutory returns to OfS and the Higher Education Statistics Agency are reviewed and that returns have received the required approval prior to submission.

The Deputy Secretary and Registrar/Head of Corporate Services maintains a schedule, recording the behaviours linked to each OfS condition and associated evidence to demonstrate that the University is compliant with the OfS's Conditions of Registration which is kept under regular review. Internal Audit's planned work includes specific audits on compliance with OfS Conditions of Registration.

The committee also reviews the University's corporate risk register at each meeting.

As part of a Governance Review, the University's Assurance Group, chaired by the Deputy Secretary and Registrar, has now become a sub-committee of the Chief Executives Group, whose principal role is to monitor ongoing compliance with the OfS conditions of registration, including the submission of key data returns and to provide assurance to the Board, and where necessary, intervention by providing a clear process for escalation to the Chief Executives Group with any matters of concern.

Standard templates for committee reports have been updated to include the requirement for the report's author to indicate which of the OfS Conditions of Registration the report provides assurance on.

### Going concern

The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason the Board considers that the financial statements of the University and the Group should be prepared on a going-concern basis. The Group has made financial surpluses for the last 12 years (other than 2019-20 which was primarily caused by the need to release students from accommodation contracts and because of the actuarial adjustment in the LGPS) and has cash reserves at a high level.

Each of the subsidiary companies, and the University itself, has produced trading budgets and cash flow forecasts for future periods. In addition, the Group has also modelled a number of scenarios to demonstrate the impacts on future cash flows from different financial surpluses and capital projects.

The University Group finished the 2022-23 financial year with cash deposits and investments of £168m. Based on the budget for 2023-24, being the most likely scenario, cash and investments at the end of the coming year would be £110m. External debt would be paid down to £52m, ensuring that gearing remains low relative to both the historic position and to the sector more widely.

Each subsidiary company has demonstrated that its cash reserves will be sufficient to continue trading for the foreseeable future (to 31 December 2024). Borrowing facilities are in place should any of them require financial assistance for working capital on a short-term basis.



The capital expenditure programme has been reviewed by a senior panel to ascertain key priorities and has been budgeted as such. In the 2023-24 financial year, the largest project (the School of Physics, Engineering and Computer Science Building) will cost about £36m, with the majority of other projects being considerably smaller in scope and value. There are options for delaying some projects should the need arise.

The budget for 2023-24 was approved on the basis of achieving a surplus after any LGPS adjustment and the medium- and long-term cash forecasts demonstrate financial sustainability. Investments in fixed assets are carefully reviewed prior to approval. The Board only undertakes such investments with the knowledge that the Group will remain solvent and that value is likely to be added as a result of the investment. Although no new external borrowing is likely to be required in the near term, the Board is confident that funding would be available from its lenders should the need arise.

### **Responsibilities of the Board of Governors**

In accordance with the University's Instrument and Articles of Government, 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 is responsible for preparing the strategic report and the financial statements in accordance with applicable law and regulations.

The Board of Governors is required to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK 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 OfS Regulatory Framework, through its accountable officer. At the University of Hertfordshire, the designated accountable officer is the Vice-Chancellor. 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 and changes in reserves of the University and the Group for that year and the cash flows for the Group for the 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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University and 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 and Group's transactions and disclose with reasonable accuracy at any time the financial position of the University and the Group. It also ensures that the financial statements comply with the Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (SORP) and any subsequent amendments, OfS Accounts Direction and other applicable regulations. It is also responsible for safeguarding the assets of the University and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **The Board of Governors has taken reasonable steps to:**

- Ensure that funds from the OfS, UK Research and Innovation (including Research England), the Department for Education and the Education and Skills Funding Agency are used only for the purposes for which they have been given and in accordance with any terms and conditions of that funding. This includes the operation of a sound system of internal financial control, as described in the Statement of Internal Control on page 32 and the conduct of regular internal audits on compliance with legislation, for example compliance with OfS conditions of registration.
- Ensure that there are appropriate financial management controls in place to safeguard public funds and funds from other sources.
- Ensure that the University and Group 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.
- Secure the economic, efficient and effective management of the University's and the Group's resources and expenditure.

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

**The Board of Governors confirms that:**

- So far as each governor is aware, there is no relevant audit information of which the University's auditor is unaware.
- The governors 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.

Approved on behalf of the Board of Governors on 5 December 2023 and signed on its behalf by:

Professor Q McKellar  
Vice-Chancellor and Chief Executive

Dr L Drummond  
Pro Chancellor and Chair of the Board of Governors



# Hello from Herts

# Statement of internal control

The following statement covers the year to 31 July 2023 and the period up to the date of approval of these financial statements.

The Board of Governors acknowledges its responsibility for ensuring that an effective system of internal financial control is maintained and operated by the University of Hertfordshire Group.

The system can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period. The system of internal financial control is based on a framework of regular management information, administrative procedures – including the segregation of duties – and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the board.
- Regular reviews by the board of periodic and annual financial reports, which monitor financial performance against budgets and forecasts.
- Setting targets to measure financial and other performance using key performance indicators as appropriate.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines where appropriate.

The Board has established processes for the identification, evaluation and management of risks (business, operational, compliance and financial) the University Group faces. The Board has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This is in accordance with the responsibilities assigned to the governing body in Instrument and Articles of Government, Terms and Conditions of Funding, and the OfS Regulatory Notices 2, 5 and 9. The system of

internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically.

The Board has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Board meets at regular intervals to consider performance reports, operational plans and the strategic direction of the University.
- The Board receives periodic reports from the chair of the audit and risk committee concerning internal control. It requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- A robust risk management process that has been embedded across the University and covers the identification and evaluation of both strategic and operational risks, including compliance and financial risks. Risks are linked to the University's strategic themes and the risk management process assesses the likelihood and impact of risks arising and identifies mitigating controls and actions to manage these risks.
- Risk management is integrated into key activities, such as the annual planning process and major projects.
- The risk management approach is risk based resulting in a prioritised corporate risk register. This organisation-wide risk register is maintained and reported to and discussed regularly by the University's senior management team and at each meeting of the Audit and Risk Committee. The results of this process are then presented to and considered regularly by the Board of Governors.



- Risk registers are also maintained at Strategic Business Unit (SBU) level and by the wholly owned subsidiary companies, which are reviewed regularly by the University's Business Risk Manager who meets with Heads of SBU and the subsidiary companies' management twice a year to discuss their risks. Risks of strategic importance are then fed into the corporate risk register.
- The Business Risk Manager acts as a central point of contact for risk management coordination and review, working closely with senior management to promote University-wide understanding and application of the risk management process.
- Reviews of the adequacy and effectiveness of the University's risk management process are undertaken regularly by Internal Audit. The effective implementation of risk management arrangements is considered as part of the work undertaken on each audit, where appropriate.
- The role of Internal Audit is to provide assurance on the University's internal control environment as well as its arrangements for risk management, governance, and value for money. It does this through the completion of a risk-based audit plan, which identifies how each audit contributes to the overall audit opinion, including each of these four elements as well as the arrangements for ensuring data quality. In completing their work, Internal Audit not only advises on internal controls but looks to add value to the overall operation of the University, considering both the present situation and the future impact on the areas reviewed.
- The University's external auditors review the operating effectiveness of internal control over the key systems and income streams to the University. They consider Internal Audit reports to understand the scope of their work, any significant findings and their view on and contribution to the overall control environment.
- A system of key performance and risk indicators is in place.
- Procurement procedures are monitored to promote economy and efficiency and ensure value for money.
- The Audit and Risk Committee receives and provides challenge to the individual audit reports from Internal Audit. This includes Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control and its arrangements for risk management and governance and for ensuring value for money and data quality. There were eight areas where Internal Audit has made

high priority recommendations to address significant issues or weaknesses in internal control identified during the course of their work.

These are summarised below:

- **IT System Procurement and Project Management:**
  - The need for a more thorough assessment of the likely scope, scale and complexity of projects to meet business requirements, and the associated resources needed for successful implementation, prior to the initial application for IT system funding.
  - Future bids for business-critical IT project funding to include the costs of a dedicated Project Manager for the duration of the implementation project.
  - To prioritise the development and implementation of the Digital Vision and Strategy for the University above further new IT system project approval.
  - To introduce planned, proportionate reporting of progress on business-critical IT project implementation at senior management team level.
  - To introduce planned, proportionate and coordinated strategic oversight of the programme of business-critical projects (IT and non-IT) at senior management team level.
- **Contractual Counterparty Due Diligence:**
  - The development of a formal policy governing the University's principles for due diligence, including the evaluation of the resources required to perform due diligence checks, determination of a consistent approach to obtaining references, and identifying timescales for re-performing due diligence during the length of a contract.
- **Tuition Fee Income Forecasting:**
  - Determination and coordination of the available sources of in-year intelligence impacting on student numbers; and
  - Transparent communication of the assumptions applied by the Student Information and Planning team and Central Finance when producing student number data and tuition fee income forecasts, and prioritising transparency in future communications to rebuild trust across the institution in reported student numbers.

Actions to address these issues are being put in place and implementation of all Internal Audit recommendations is regularly monitored by the Audit and Risk Committee.

# Independent auditor's report to the Board of University of Hertfordshire

## Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's 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 Charities Act 2011.

We have audited the financial statements of University of Hertfordshire ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University statement of comprehensive income, the Consolidated and University statement of changes in reserves, the Consolidated and University statement of financial position, the Consolidated cash flow statement and 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).

## 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group and the 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.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' 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 and the University's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

## Other information

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

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

We have nothing to report in this regard.

## Opinion on other matters required by the Office for Students ("OfS") and UK Research and Innovation (including Research England) and the Education and Skills Funding Agency

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The University's grant and fee income, as disclosed in notes 1 and 2 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 34 to the accounts, has been materially misstated.

### **Responsibilities of the Board of Governors**

As explained more fully in the Responsibilities of the Board of Governors statement, the Board of Governors 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 board members 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 Board of Governors are responsible for assessing the Group and the 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 Board of Governors either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit was capable of detecting irregularities, including fraud**

Based on:

- Our understanding of the Group, University and the sector in which it operates;
- Discussion with management and those charged with governance (including the Audit and Risk Committee and internal audit provision);
- Obtaining and understanding of the Group's and University's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, the Charities Act 2011, Corporate and VAT legislation, Employment Taxes, and the Bribery Act 2010.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

### **Fraud**

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit and Risk Committee and internal audit provision) regarding any known or suspected instances of fraud;

- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Considered management's incentives and opportunities for fraudulent manipulation of the financial statements;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be revenue recognition, posting inappropriate journal entries to manipulate financial results and management bias in significant judgements and accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of income transactions throughout the year, and around the year end to ensure that income recognition is in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, the Financial Reporting Standard (FRS 102) and stated accounting policies;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted by individuals outside of their expected job roles, and others deemed unusual based on our expectations;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the actuarial assumptions used in the Local Government Pension Scheme (a defined benefit pension scheme) and the Universities Superannuation Scheme, assumptions used in the valuation of Investment Properties, the carrying value of liabilities under service concession arrangements, calculations of impairment provisions and the useful economic lives of fixed assets;

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility; and
- Direct enquiry of the Accountable Officer.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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](http://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 governors, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the University's board 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 board as a body, for our audit work, for this report, or for the opinions we have formed.

### James Aston MBE

(Senior Statutory Auditor)

For and on behalf of BDO LLP,  
Statutory Auditor  
Gatwick, UK

Date: 14 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Financial Statements



## Consolidated and University statement of comprehensive income for the year ended 31 July 2023

		2023		2022	
	Notes	Group £'000	University £'000	Group £'000	University £'000
Income					
Tuition fees and education contracts	1	266,343	266,413	235,345	235,233
Funding body grants	2	25,260	25,260	24,117	24,117
Research grants and contracts	3	11,353	10,324	10,136	9,037
Other income	4	73,748	49,363	68,020	42,193
Investment income	6	7,115	6,782	1,607	6,848
Donations and endowments	7	179	203	246	109
Total income		383,998	358,345	339,471	317,537
Expenditure					
Staff costs	8	172,600	155,178	170,553	150,679
Other operating expenses		170,300	166,350	139,417	134,830
Depreciation	13	18,226	16,565	18,448	16,334
Interest and other finance costs	9	2,938	2,479	3,912	3,426
Total expenditure	10	364,064	340,572	332,330	305,269
Surplus before other gains and losses and share of operating surplus of joint ventures					
		19,934	17,773	7,141	12,268
Gain on disposal of fixed assets		-	-	87	27
Loss on investments	15	(42)	(5)	(1,030)	(1,006)
Share of operating surplus in joint ventures	17	13	-	96	-
Surplus before tax		19,905	17,768	6,294	11,289
Taxation	11	-	-	(34)	-
Surplus for the year		19,905	17,768	6,260	11,289
Actuarial gain in respect of pension schemes	31	5,993	5,993	98,098	97,945
Change in fair value of hedging financial instruments	25	(473)	-	339	-
Total comprehensive income for the year		25,425	23,761	104,697	109,234
Represented by:					
Endowment comprehensive income for the year		32	25	148	11
Restricted comprehensive (expenditure)/income for the year		(482)	134	299	(152)
Unrestricted comprehensive income for the year		25,875	23,602	104,250	109,375
		25,425	23,761	104,697	109,234

**All results are from continuing operations.**

The notes on pages 54 to 97 form an integral part of these financial statements.

## Consolidated and University statement of changes in reserves for the year ended 31 July 2023

	Income and expenditure account			Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Group					
Balance at 1 August 2021	3,311	433	196,830	40,251	240,825
Surplus from the statement of comprehensive income	148	132	5,980	-	6,260
Other comprehensive income	-	339	98,098	-	98,437
Release of restricted funds spent in year	-	(172)	172	-	-
<b>Total comprehensive income for the year</b>	<b>148</b>	<b>299</b>	<b>104,250</b>	<b>-</b>	<b>104,697</b>
<b>Balance at 1 August 2022</b>	<b>3,459</b>	<b>732</b>	<b>301,080</b>	<b>40,251</b>	<b>345,522</b>
Surplus from the statement of comprehensive income	32	563	19,310	-	19,905
Other comprehensive income/(expenditure)	-	(473)	5,993	-	5,520
Release of restricted funds spent in year	-	(572)	572	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>32</b>	<b>(482)</b>	<b>25,875</b>	<b>-</b>	<b>25,425</b>
<b>Balance at 31 July 2023</b>	<b>3,491</b>	<b>250</b>	<b>326,955</b>	<b>40,251</b>	<b>370,947</b>
University					
Balance at 1 August 2021	813	462	208,987	39,110	249,372
Surplus from the statement of comprehensive income	11	167	11,111	-	11,289
Other comprehensive income	-	-	97,945	-	97,945
Release of restricted funds spent in year	-	(319)	319	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>11</b>	<b>(152)</b>	<b>109,375</b>	<b>-</b>	<b>109,234</b>
<b>Balance at 1 August 2022</b>	<b>824</b>	<b>310</b>	<b>318,362</b>	<b>39,110</b>	<b>358,606</b>
Surplus from the statement of comprehensive income	25	229	17,514	-	17,768
Other comprehensive income	-	-	5,993	-	5,993
Release of restricted funds spent in year	-	(95)	95	-	-
<b>Total comprehensive income for the year</b>	<b>25</b>	<b>134</b>	<b>23,602</b>	<b>-</b>	<b>23,761</b>
<b>Balance at 31 July 2023</b>	<b>849</b>	<b>444</b>	<b>341,964</b>	<b>39,110</b>	<b>382,367</b>



## Consolidated and University statement of financial position as at 31 July 2023

		2023		2022	
	Notes	Group £'000	University £'000	Group £'000	University £'000
Non-current assets					
Intangible assets	12	22	-	24	-
Goodwill	12	407	-	496	-
Fixed assets	13	361,276	332,367	337,859	307,366
Investments	15	35,314	78,933	33,681	79,165
Investment in joint ventures	17	149	-	611	-
		397,168	411,300	372,671	386,531
Current assets					
Stock		443	96	459	88
Trade and other receivables	18	65,945	62,074	51,978	47,222
Investments	19	66,035	66,035	51,716	51,716
Cash and cash equivalents		102,462	92,282	99,718	91,742
		234,885	220,487	203,871	190,768
Creditors: amounts falling due within one year	20	(176,673)	(172,481)	(141,258)	(137,064)
Net current assets		58,212	48,006	62,613	53,704
Total assets less current liabilities					
		455,380	459,306	435,284	440,235
Creditors: amounts falling due after more than one year	21	(82,223)	(74,729)	(84,794)	(76,661)
Provisions					
Pension provisions	23	(1,807)	(1,807)	(4,565)	(4,565)
Provisions for liabilities	23	(403)	(403)	(403)	(403)
Total net assets					
		370,947	382,367	345,522	358,606
Restricted reserves					
Income and expenditure reserve – endowment reserve	24	3,491	849	3,459	824
Income and expenditure reserve – restricted reserve	25	250	444	732	310
Unrestricted reserves					
Income and expenditure reserve – unrestricted		326,955	341,964	301,080	318,362
Revaluation reserve		40,251	39,110	40,251	39,110
Total reserves		370,947	382,367	345,522	358,606

The Financial Statements were approved and authorised for issue by the Board of Governors on 5 December 2023 and signed on its behalf by:

**Dr L Drummond**  
Chair

**Professor Q McKellar**  
Vice-Chancellor

**Mr A Moffat**  
Group Finance Director

## Consolidated statement of cash flows for the year ended 31 July 2023

		2023	2022
	Notes	£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus for the year before taxation		<b>19,905</b>	6,294
<b>Adjustment for non-cash items</b>			
Depreciation	13	<b>18,226</b>	18,448
Amortisation of intangibles	12	<b>2</b>	2
Amortisation of goodwill	12	<b>89</b>	89
Loss on investments	15	<b>42</b>	1,030
Decrease/(increase) in stock		<b>16</b>	(26)
Increase in debtors		<b>(12,907)</b>	(10,539)
Increase in creditors		<b>31,035</b>	26,788
Increase in pension provision		<b>3,235</b>	16,039
Share of operating surplus in joint ventures	17	<b>(13)</b>	(96)
<b>Adjustment for investing or financing activities</b>			
Investment income	6	<b>(7,115)</b>	(1,607)
Interest payable		<b>2,716</b>	2,295
Endowment income	24	<b>-</b>	(103)
Profit on the sale of fixed assets		<b>-</b>	(87)
Capital grant income		<b>(3,768)</b>	(3,847)
<b>Cash inflow from operating activities</b>		<b>51,463</b>	54,680
Taxation		<b>-</b>	13
<b>Net cash inflow from operating activities</b>		<b>51,463</b>	54,693
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		<b>30</b>	66
Capital grant receipts		<b>4,070</b>	3,566
Dividends received from joint ventures		<b>475</b>	400
Withdrawal of deposits		<b>34,000</b>	12,000
Investment income		<b>4,090</b>	911
Payments made to acquire fixed assets		<b>(37,119)</b>	(29,714)
New non-current asset investments		<b>(137)</b>	(100)
New deposits		<b>(48,312)</b>	(34,259)
<b>Net cash outflow used in investing activities</b>		<b>(42,903)</b>	(47,130)
<b>Cash flows from financing activities</b>			
Interest paid		<b>(2,110)</b>	(1,631)
Interest element of finance lease and service concession payments		<b>(623)</b>	(668)
New endowments		<b>-</b>	137
Endowment payments		<b>(30)</b>	(34)
Repayments of amounts borrowed		<b>(2,172)</b>	(2,132)
Capital element of finance lease and service concession payments		<b>(881)</b>	(850)
<b>Net cash outflow used in financing activities</b>		<b>(5,816)</b>	(5,178)
<b>Increase in cash for the year</b>		<b>2,744</b>	2,385
<b>Cash and cash equivalents at beginning of the year</b>		<b>99,718</b>	97,333
<b>Cash and cash equivalents at end of the year</b>		<b>102,462</b>	99,718

## Statement of principal accounting policies

### A. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historic cost convention (modified by the revaluation of fixed assets, investment properties and derivative financial instruments).

#### Going concern

As explained in the Statement of Corporate Governance, the Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason the Board considers that the financial statements of the University and the Group should be prepared on a going-concern basis. The Group has made financial surpluses for the last 12 years (other than 2019-20 which was primarily caused by the need to release students from accommodation contracts and because of the actuarial adjustment in the LGPS) and has cash reserves at a high level.

Each of the subsidiary companies, and the University itself, has produced trading budgets and cash flow forecasts for future periods. In addition, the Group has also modelled a number of scenarios to demonstrate the impacts on future cash flows from different financial surpluses and capital projects.

The University finished the 2022-23 financial year with cash deposits and investments of £168m. Based on the budget for 2023-24, being the most likely scenario, cash and investments at the end of the coming year would be £120m. External debt would be paid down to £51m, ensuring that gearing remains low relative to both the historic position and to the sector more widely.

Each subsidiary company has demonstrated that its cash reserves will be sufficient to continue trading for the foreseeable future (to 31 December 2024). Borrowing facilities are in place should any subsidiary company require financial assistance for working capital on a short-term basis.

The capital expenditure programme has been reviewed by a senior panel to ascertain key priorities and has been budgeted as such. In the 2023-24 financial year, the largest project (the School of Physics, Engineering and Computer Science Building) will cost around £36m, with the majority of other projects being considerably smaller in scope and value. There are options for delaying some projects should the need arise.

The budget for 2023-24 was approved on the basis of achieving a small surplus after any LGPS adjustment and the medium and long-term cash forecasts demonstrate financial sustainability. Investments in fixed assets are carefully reviewed prior to approval. The Board only undertakes such investments with the knowledge that the Group will remain solvent and that value is likely to be added as a result of the investment. Although no new external borrowing is likely to be required in the near term, the Board is confident that funding would be available from its lenders should the need arise.

Where a subsidiary undertaking is expected to cease trading in the near future then the accounts of that entity will be prepared on a break-up basis as appropriate with any impact on the Group accounts considered on the grounds of materiality.

### B. Basis of consolidation

The consolidated financial statements include those of the University and its subsidiary undertakings and jointly controlled entities for the year ended 31 July 2023. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income and expenditure from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated on consolidation.

The consolidated financial statements do not include those of the University of Hertfordshire Students' Union as the University does not exert control or dominant influence over financial and operating policy decisions.

Associated companies and jointly controlled entities are accounted for using the equity method.

### C. Recognition of income

Income from the sale of goods or services is credited to the consolidated statement of comprehensive income when the goods or services are supplied, or the terms of the contract have been satisfied.

### C. Recognition of income (continued)

Tuition fee income is credited to the consolidated statement of comprehensive income over the period in which students are studying and is shown net of discounts for prompt payment. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

Investment income is credited to the consolidated statement of comprehensive income account on a receivable basis.

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

#### Grant income

Government revenue grants, including funding body block grants and research grants, are recognised in income over the periods in which the Group 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 in income when the Group 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.

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

#### Donations and endowments

Donations and endowments are non-exchange transactions without performance-related conditions. Donations and endowments with donor-imposed restrictions are recognised in income when the Group is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with the restrictions, at which point the income is released to unrestricted reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the Group is entitled to the funds.

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

There are three main types of donations and endowments identified within reserves:

- i. Restricted donations - the donor has specified that the donation must be used for a particular objective.
- ii. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income.
- iii. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### D. Employee benefits

#### Short-term employee benefits

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

#### Retirement benefits - defined benefit plans

The two principal pension schemes for the Group's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These defined benefit schemes are externally funded and were contracted out of the State Second Pension until April 2016.

The University also participates in Universities Superannuation Scheme (USS) for designated employees. With effect from 1 October 2016, the USS changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits.

Due to the mutual nature of the TPS and USS schemes, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for these schemes as if they were wholly defined contribution schemes. As a result, the amount charged to the statement of comprehensive income represents the contributions payable to the schemes.



## D. Employee benefits (continued)

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the Group'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 Group. The Group recognises a liability for its obligations under defined benefit plans net of plan 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 Group is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

For the LGPS scheme the current service cost and any past service costs are included in expenditure within staff costs. The interest income on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within investment income or interest and other finance costs. Actuarial gains and losses are recognised, net of the related deferred tax, in other comprehensive income.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

### Retirement benefits - defined contribution plans

Subsidiary companies within the Group participate in either NEST or a group administered defined contribution personal pension plan for those employees who are not members of LGPS. NEST is a qualifying pension scheme established by law to support the introduction of automatic enrolment. It is a national multi-employer defined contribution scheme.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

## E. Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the year-end rates and the resulting surplus or deficit transferred to the consolidated statement of comprehensive income.

## F. Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such 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 478-488 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs including the cost of fixed assets.

The University's subsidiary and joint venture companies are liable to corporation tax and VAT in the same way as any other commercial organisation.

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

## G. Fixed assets

### Land and buildings

On adoption of FRS 102 the Group elected to measure part of its land at fair value and to use that fair value as its deemed cost at the date of transition. The Group has chosen not to adopt a policy of revaluation of these assets in the future. These values are retained subject to the requirement to test assets for impairment on an annual basis. Where there is evidence of impairment, fixed assets are written down to their recoverable amount. Any such write down is charged to the consolidated statement of comprehensive income unless it reverses previous revaluations which are dealt with through the revaluation reserve.

Depreciation on buildings is provided on a straight-line basis over the estimated useful lives as follows:

Freehold buildings	30-60 years
Refurbishments	3-50 years

Leasehold land and buildings are amortised over the life of the lease.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Assets in the course of construction represent those assets which have not yet been brought into use. These assets are transferred to the relevant category of asset and depreciated from the date they are substantially complete at the appropriate rate for that category.

Borrowing costs are capitalised where they can be directly attributable to the construction of assets and only for the period of construction.

### Equipment

Capitalised equipment is stated at cost and depreciated over its useful life on a straight-line basis as follows:

Plant and machinery	2-15 years
Fixtures, fittings and equipment	3-15 years

## H. Intangible assets and goodwill

Intangible assets include purchased patents, licences and other similar rights over assets. These are recognised on the balance sheet by capitalising the purchase cost and amortising over the useful economic life based on each individual contract.

Goodwill represents the difference between the cost of an acquired operation and the aggregate of the fair values of that operation's identifiable assets and liabilities. Positive purchased goodwill is capitalised and classified as an asset on the balance sheet. Goodwill is amortised over the estimated economic life of the assets to which the goodwill relates. Impairment tests are carried out at the end of the first year and thereafter subject to normal periodic reviews for indications of impairment.

## I. Investments

Non-current investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment of their value. Those that are listed are included at market value and any gains and losses on revaluations are recognised in the surplus or deficit.

Investments in joint ventures, associated and subsidiary undertakings are stated on the balance sheet at cost less provision for impairment. Impairment is assessed by comparing the carrying value of the investment against either an earnings-based or asset-based valuation of each entity as applicable to the business concerned.

Current asset investments are held at fair value with movements recognised in the consolidated statement of comprehensive income.

Investment properties are land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are stated at fair value with an annual review and revaluation to reflect market conditions. Changes in fair value are recognised in the consolidated statement of comprehensive income. Investment properties are not depreciated. External valuations are carried out with sufficient regularity to ensure no material variation to fair value.

## J. Stock

Stock is held at the lower of cost and net realisable value. Cost includes staff time, direct materials and attributable overheads. Where necessary, provision is made for obsolete, slow-moving and defective stock.

## K. Cash and cash equivalents

Cash includes cash in hand, cash at bank, and deposits repayable on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Short-term investments placed for three months or less are accounted for as cash equivalents.

## L. Provisions, contingent liabilities and contingent assets

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

A contingent liability arises from a past event that gives the Group 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 Group. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

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

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

## M. Leases and service concession arrangements

### 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.

### Finance leases

Leases in which the Group 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.

### Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the balance sheet at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

## N. Financial instruments

The provisions of both section 11 and 12 of FRS 102 will be applied in full. Under FRS 102 basic financial instruments should be held at amortised cost using the effective interest method, however the Group holds these at transaction cost on the basis that there are no material differences between the two methods.

Complex financial instruments are held at fair value, with changes in fair value taken directly to the statement of comprehensive income.

## O. Derivatives

The Group uses commodity swaps to reduce exposure to changes in fuel prices to acceptable levels. These derivatives are initially measured at fair value on the date that the contract is entered into and are subsequently held on the balance sheet at fair value. The Group has adopted and complied with the requirements of hedge accounting and as a result, movements in fair value are recorded within other comprehensive income.

## P. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the Group, are held as permanently restricted funds which the Group must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the Group is restricted in the use of these funds.

Unrestricted reserves consist of the income and expenditure reserve and the revaluation reserve.

## Accounting estimates and judgements

In the application of its accounting policies as detailed on pages 54 to 59, the Group is required to make estimates, assumptions and judgements that affect the reported amount of assets, liabilities, income, and expenditure. These estimates, associated assumptions and judgements are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### a. Estimates

The estimates and assumptions that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements are addressed below.

#### i. Pension provisions

The determination of the LGPS defined benefit obligation and the USS funding deficit provision include key assumptions on inflation rates, life expectancy, discount rates and salary growth. The key assumptions applied in the year and sensitivity analysis on changes to these assumptions are detailed in note 31.

The LGPS defined benefit obligation recognised in the financial statements is based on an independent actuarial valuation. The key assumptions are largely dependent on factors outside the control of the Group and the Group is exposed to risks if actual experience differs to the assumptions used and through volatility in plan assets.

The USS funding deficit provision has been estimated based on a model devised by USS and the British Universities Finance Directors Group. The model requires estimates to be made on pay increases, scheme membership and discount rates.

#### ii. Investment properties

Investment properties are stated at fair value with annual review and revaluation to reflect the market conditions. In drawing their conclusion on the value of the properties, management and/or the external valuer consider the purpose of the property, the level of occupancy, economic factors, and the climate of the property market in general. The Group's investment properties were last reviewed by external valuers as at 31 July 2021 and have been assessed by internal review as at 31 July 2023.

#### iii. Recoverability of debtors

The Group has a material exposure to the recoverability of trade and, most notably, tuition fee receivables. Estimation is involved in the assessment of the recoverability of this debt and the calculation of the associated bad debt provision. Factors such as the age of the debt, prior experience and recoverability statistics are used in management's assessment of the required provision. Analysis of actual recovery compared with the level of provision has not resulted in material variances to date.

#### iv. Service concession arrangements

In determining the carrying value of the service concession arrangements, a number of financial assumptions have been made to calculate the present value of the minimum lease payments. These include indexation, credit and void costs, life cycle and operating costs. Consideration is given to whether the arrangements are on or off-balance sheet as detailed in note 14.

#### v. Useful economic lives of tangible fixed assets

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. Management regularly reviews the assets' useful economic lives taking into consideration factors such as maintenance programmes and technological advances. Changes in assets' useful economic lives can have a significant impact on depreciation for the period. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### vi. Provision for impairments

Investments and tangible fixed assets are reviewed for signs of impairment each year and written down accordingly. Property, plant and equipment is reviewed by the University's Director of Estates in conjunction with market data and other relevant information.

Investments in subsidiaries and joint ventures are reviewed for impairments in value. In reviewing the value of these investments, management consider the performance of each undertaking, the purpose of the undertaking and any changes, including political and economic changes, that may have an impact on that company's performance or net assets.

Changes in any of the factors considered for impairments can affect the value reported in the financial statements.

### b. Judgements

No critical accounting judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations noted above, that have had a material effect on the amounts recognised in the financial statements.



## Notes to the accounts

### 1. Tuition fees and education contracts

	2023	2023	2022	2022
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	94,951	94,951	110,172	110,172
Full-time international students	153,016	153,016	108,228	108,228
Part-time students	14,755	14,825	13,976	13,864
Education contracts	3,621	3,621	2,969	2,969
	<b>266,343</b>	<b>266,413</b>	235,345	235,233

### 2. Funding body grants

	2023	2022
	£'000	£'000
<b>Group and University</b>		
<b>Recurrent grant</b>		
Office for Students (OfS)	10,300	11,683
Research England	8,011	4,823

#### Specific grant

Higher Education Innovation Fund	3,668	3,528
Capital grants	2,487	2,910
Education and Skills Funding Agency (ESFA)	51	89
Other specific grants	743	1,084
	<b>25,260</b>	24,117

### 3. Research grants and contracts

	2023	2023	2022	2022
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Research councils	2,147	2,147	3,076	2,790
Research charities	1,022	1,005	827	732
Government (UK and overseas)	6,118	5,695	4,021	3,996
Industry and commerce	1,152	563	1,288	583
Other grants and contracts	914	914	924	936
	<b>11,353</b>	<b>10,324</b>	10,136	9,037

#### 4. Other income

	2023	2023	2022	2022
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	33,533	32,635	28,372	27,323
Other services rendered	29,040	6,960	30,579	6,199
Other capital grants	1,281	1,281	937	911
Other income	9,894	8,487	8,132	7,760
	73,748	49,363	68,020	42,193

#### 5. Sources of grant and fee income

	2023	2023	2022	2022
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Grant income from the OfS	13,530	13,530	15,446	15,446
Grant income from other bodies	26,808	24,904	22,751	20,950
Fee income for taught awards	258,488	258,488	228,007	228,007
Fee income for degree apprenticeships – ESFA	3,854	3,854	3,841	3,841
Fee income for research awards	1,438	1,438	1,402	1,402
Fee income for non-qualifying courses	2,563	2,633	2,095	1,982
	306,681	304,847	273,542	271,628

#### 6. Investment income

		2023	2023	2022	2022
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Investment income on endowments	Notes 24	97	23	67	8
Dividend income		331	331	278	5,628
Other investment income		6,687	6,428	1,262	1,212
		7,115	6,782	1,607	6,848

#### 7. Donations and endowments

		2023	2023	2022	2022
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Donations with restrictions		179	194	109	109
New endowments	24	-	-	137	-
Unrestricted donations		-	9	-	-
		179	203	246	109

**8. Staff costs**

	Notes	2023	2023	2022	2022
		Group £'000	University £'000	Group £'000	University £'000
Salaries		<b>130,589</b>	<b>115,836</b>	119,908	103,742
Social security costs		<b>14,220</b>	<b>12,684</b>	13,190	11,520
Movement on pension provision	31	<b>3,013</b>	<b>3,013</b>	14,422	13,858
Other pension costs	31	<b>24,778</b>	<b>23,645</b>	23,033	21,559
		<b>172,600</b>	<b>155,178</b>	170,553	150,679

**The average number of full-time equivalent (FTE) employees (including senior post-holders) during the year was:**

	2023	2022
	Number	Number
Academic	<b>1,273</b>	1,185
Research	<b>128</b>	132
Professional	<b>1,034</b>	955
Technical	<b>103</b>	109
Other	<b>364</b>	420
	<b>2,902</b>	2,801

**The number of higher paid staff (including the Vice-Chancellor) whose basic salaries fall within the following bands are:**

	2023	2022
	Number	Number
£100,000 - £104,999	<b>2</b>	5
£105,000 - £109,999	<b>3</b>	-
£110,000 - £114,999	-	1
£115,000 - £119,999	<b>1</b>	1
£120,000 - £124,999	-	3
£125,000 - £129,999	<b>3</b>	1
£130,000 - £134,999	<b>1</b>	1
£135,000 - £139,999	<b>2</b>	-
£155,000 - £159,999	-	1
£160,000 - £164,999	<b>1</b>	-
£200,000 - £204,999	-	1
£205,000 - £209,999	<b>1</b>	-
£300,000 - £304,999	-	1
£310,000 - £314,999	<b>1</b>	-
	<b>15</b>	15

Included in the above table are two part-time members of staff who work in the NHS and whose basic salaries are linked to NHS equivalents.

## 8. Staff costs (continued)

### Total remuneration package of the Vice-Chancellor

	2023	2022
	£'000	£'000
Basic salary	312	300
Payments in lieu of pension contributions	33	33
Pension contributions	29	26
Benefits in kind	1	1
	<b>375</b>	<b>360</b>

The figures reported above relate to the remuneration paid to the Vice-Chancellor in 2022-23 and includes the cost-of-living uplift of 3% that was awarded in September 2022 and an interim uplift of 2% awarded in February 2023.

The benefit in kind relates to healthcare insurance. The Vice-Chancellor receives no other remuneration or benefits in kind and no accommodation is provided by the University.

The Board of Governors of the University of Hertfordshire is responsible for the determination of the pay and conditions of service of the Vice-Chancellor (Head of Provider in OfS terms).

The remuneration of the Vice-Chancellor is considered by the Vice-Chancellor's Remuneration Committee (VCRC), chaired by an independent member of the Board (who is not the Chair of the Board of Governors). The Vice-Chancellor is not a member of the committee and does not attend. The committee meets in the autumn term and reviews performance in the previous year as well as the remuneration package to be awarded for the following year.

The VCRC applied the agreed policy for remuneration for senior managers which states that fair and appropriate remuneration recognises an individual's contribution to the University's success and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for the role, balanced with the need to demonstrate the achievement of value for money for the use of resources.

There is only one element to the Vice-Chancellor's remuneration, which is basic salary. This is reviewed annually at the VCRC. In recent years the committee has determined to offer to the Vice-Chancellor the same cost of living rise as awarded to staff in the University.

The following was also taken into account:

- An analysis of the market(s) within which the organisation operates for talent.
- Individual performance, experience and value to the organisation.
- The performance of the University.
- Short-term objectives and long-term strategy set by the organisation.
- Organisational structure, financial situation and foreseeable future prospects.
- His total remuneration package.
- The approach to remunerating other employees, including their pay increases.
- The public interest and the requirement to achieve value for money.
- The interests of the University and its obligations as an exempt charity.

Additionally, the committee was also cognisant of the context in which the Vice-Chancellor is operating. The Vice-Chancellor is the head of a complex institution, with over 33,000 students studying in the UK and over 6,000 studying University courses worldwide. It has a staff base of approximately 2,900 FTE and a turnover of over £380 million.

Of University of Hertfordshire students studying in the UK, over 50% are female, over 65% are from the Black, Asian and Minority Ethnic background and significant numbers are first in their family to go to university, many come from families with low household income, large numbers commute. The University is ranked in the top 25% of all universities in terms of research impact and 78% of our research has been ranked 'world-leading' or 'internationally excellent' in the 2021 Research Excellence Framework results. It is a major employer in the county and has significant impact in the local economy. The University is extremely flexible in terms of its offering and provides opportunities to study from foundation degree level to PhD and has embraced two-year degrees, apprenticeships and online learning. It has a number of partner organisations which are validated to run University programmes.



## 8. Staff costs (continued)

The Vice-Chancellor is an excellent ambassador for both the University and the region and during the year has represented the University on a number of bodies such as Universities UK (UUK), as Vice President for England and Northern Ireland and on the Board of Advance HE. He also Chairs the Hatfield Renewal Project Board and was President of the Hertfordshire Agricultural Society.

As can be seen from these accounts, against an ever-increasing competitive market, the University is financially sound, there has been no new borrowing since 2009 and the existing debt is being reduced annually.

The Vice-Chancellor's base pay was determined on the basis of the scale of the role, its impact on the University's values and teaching delivery; its complexity, the standing of the current post holder in the sector, and the strategic direction of the University to improve its league table position through improved performance results in areas such as the annual NSS and Teaching Excellence Framework. The individual had, in the committee's view, the necessary experience, knowledge, skills and sector reputation that would enable the University to deliver its strategic objectives to 2025.

The Vice-Chancellor's basic salary is 8.69 times (2022: 8.52 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 9.45 times (2022: 9.49 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

### Key management personnel

	2023	2022
	£'000	£'000
Staff costs for key management personnel	991	968

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and include the members of the Chief Executive's Group that are Officers of the Board. This includes the Vice-Chancellor, Deputy Vice-Chancellor, Secretary and Registrar and the Group Finance Director.

The members of the Board of Governors received no remuneration during the year (2022: £nil). Expenses reimbursed to members of the governing body during the year totalled £1,000 (2022: £1,000) for 2 (2022:5) members of the governing body. This represented travel and subsistence expenses incurred in attending committee meetings and other events in their official capacity. Additionally, £2,000 (2022: £nil) was incurred by the University for Governors to attend various training courses.

### Compensation for loss of office

	2023	2022
	£'000	£'000
Compensation for loss of office payable	314	102

	Number	Number
Number of staff receiving compensation for loss of office	21	13

The Vice-Chancellor and the key management personnel received no compensation for loss of office during the year (2022: £nil).

**9. Interest and other finance costs**

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Loan interest	<b>2,084</b>	<b>2,084</b>	1,557	1,557
Finance lease and service concession interest	<b>623</b>	<b>165</b>	668	180
Exchange differences and other interest	<b>9</b>	<b>8</b>	70	68
Net charge on pension schemes	<b>222</b>	<b>222</b>	1,617	1,621
	<b>2,938</b>	<b>2,479</b>	3,912	3,426

**10. Analysis of total expenditure by activity**

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Academic departments	<b>154,788</b>	<b>153,756</b>	136,574	135,438
Academic services	<b>40,536</b>	<b>42,590</b>	40,648	42,690
Administration	<b>46,835</b>	<b>57,120</b>	43,733	50,793
Premises	<b>38,196</b>	<b>36,964</b>	29,713	28,469
Residences, catering and conferences	<b>39,250</b>	<b>38,362</b>	35,992	35,095
Research grants and contracts	<b>9,899</b>	<b>9,180</b>	9,162	8,408
Other expenses	<b>34,560</b>	<b>2,600</b>	36,508	4,376
	<b>364,064</b>	<b>340,572</b>	332,330	305,269

**Other operating expenses include:**

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
External auditors remuneration in respect of audit services	<b>254</b>	<b>173</b>	185	129
External auditors remuneration in respect of non-audit services	<b>26</b>	<b>9</b>	19	19
Operating lease rentals	<b>20,555</b>	<b>22,141</b>	19,921	21,562

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**11. Taxation**

	<b>2023</b>	2022
	<b>Group £'000</b>	Group £'000
UK corporation tax on result for the year	-	6
Group relief receivable	-	(6)
<b>Current tax charge</b>	-	-
Origination and reversal of timing differences	-	34
<b>Deferred tax</b>	-	34
<b>Tax charge for the year</b>	-	34
<b>Tax reconciliation:</b>		
Surplus on ordinary activities before tax	<b>19,905</b>	6,294
<b>Surplus on ordinary activities multiplied by standard rate in the UK (21.0%) (2022: 19.0%)</b>	<b>4,180</b>	1,196
<b>Effects of:</b>		
Depreciation for the period in excess of capital allowances	<b>18</b>	41
Non-taxable income/expenditure	<b>(4,811)</b>	(4,079)
Expenses not deductible for tax purposes	-	(2)
Group relief surrendered	-	6
Group relief receipt	-	(6)
Tax losses not utilised	<b>27</b>	110
Tax losses brought forward	<b>(3)</b>	(21)
Tax losses brought forward surrendered as group relief	<b>(209)</b>	(34)
Timing differences relating to pension liability	<b>795</b>	2,789
Other timing differences	<b>3</b>	34
<b>Tax charge for the year</b>	-	34

There is no tax charge attributable to the University for 2023 (2022: £nil).

**12. Intangible assets****Group  
£'000****Other**

At 1 August 2022	24
Amortisation	(2)
<b>At 31 July 2023</b>	<b>22</b>

**Goodwill**

At 1 August 2022	496
Amortisation	(89)
<b>At 31 July 2023</b>	<b>407</b>

The goodwill relates to an acquisition of trade and assets by a subsidiary undertaking in 2007; other intangibles comprise a patent that was purchased in 2013. There are no intangible assets on the University balance sheet.



**13. Fixed assets**

	Land and Buildings					
	Freehold £'000	Service concession arrangement £'000	Assets in the course of construction £'000	Fixtures, fittings and equipment £'000	Plant and machinery £'000	Total £'000
<b>Group</b>						
<b>Cost or valuation</b>						
At 1 August 2022	379,642	8,178	28,389	119,152	33,097	568,458
Additions at cost	1,350	-	33,087	6,276	931	41,644
Transfers	691	-	(4,700)	2,447	1,562	-
Disposals in year	-	-	-	(670)	(55)	(725)
<b>At 31 July 2023</b>	<b>381,683</b>	<b>8,178</b>	<b>56,776</b>	<b>127,205</b>	<b>35,535</b>	<b>609,377</b>
<b>Depreciation</b>						
At 1 August 2022	128,562	2,587	-	87,381	12,069	230,599
Charge for the year	6,651	136	-	9,310	2,129	18,226
Depreciation on disposals	-	-	-	(670)	(54)	(724)
<b>At 31 July 2023</b>	<b>135,213</b>	<b>2,723</b>	<b>-</b>	<b>96,021</b>	<b>14,144</b>	<b>248,101</b>
<b>Net book value</b>						
<b>At 31 July 2023</b>	<b>246,470</b>	<b>5,455</b>	<b>56,776</b>	<b>31,184</b>	<b>21,391</b>	<b>361,276</b>
At 31 July 2022	251,080	5,591	28,389	31,771	21,028	337,859

	Land and Buildings					
	Freehold £'000	Service concession arrangement £'000	Assets in the course of construction £'000	Fixtures, fittings and equipment £'000	Plant and machinery £'000	Total £'000
<b>University</b>						
<b>Cost or valuation</b>						
At 1 August 2022	329,055	8,178	28,296	116,301	23,423	505,253
Additions at cost	1,350	-	33,049	6,276	891	41,566
Transfers	691	-	(4,679)	2,426	1,562	-
<b>At 31 July 2023</b>	<b>331,096</b>	<b>8,178</b>	<b>56,666</b>	<b>125,003</b>	<b>25,876</b>	<b>546,819</b>
<b>Depreciation</b>						
At 1 August 2022	104,069	2,587	-	84,969	6,262	197,887
Charge for the year	5,764	136	-	9,150	1,515	16,565
<b>At 31 July 2023</b>	<b>109,833</b>	<b>2,723</b>	<b>-</b>	<b>94,119</b>	<b>7,777</b>	<b>214,452</b>
<b>Net book value</b>						
<b>At 31 July 2023</b>	<b>221,263</b>	<b>5,455</b>	<b>56,666</b>	<b>30,884</b>	<b>18,099</b>	<b>332,367</b>
At 31 July 2022	224,986	5,591	28,296	31,332	17,161	307,366

### 13. Fixed assets (continued)

The net book value of assets held by the Group under finance leases at 31 July was:

	2023	2022
	<b>Buildings £'000</b>	Buildings £'000
Cost	<b>15,940</b>	15,940
Accumulated depreciation brought forward	<b>(6,460)</b>	(6,154)
Charge for the year	<b>(306)</b>	(306)
<b>Net book value</b>	<b>9,174</b>	9,480

The University held no assets under finance leases. Details of the service concession arrangements are shown in note 14.

The amount of finance costs capitalised in the year amounts to £nil (2022: £nil). There were no assets constructed during the year financed by loan capital. The accumulated amount of capitalised finance costs is £1.8m, which is included in freehold land and buildings.

During the year ended 31 July 2023 a review was undertaken of the value of the estate belonging to the Group. The review considered the current value in use of all buildings and was conducted by the University's Director of Estates. All properties were still suitable for current activities and no impairment was required.

Land and buildings include £55.6m of land which is not depreciated (2022: £55.6m).

## 14. Service concession arrangements

The Group has two service concession arrangements.

### i. de Havilland campus

During 1999, the University entered into a Private Finance Initiative scheme with a contractor for the construction of residential accommodation for 1,600 students and sports facilities, and for the facilities management of those premises for a period of 30 years. Construction was completed in 2003 and under the terms of the scheme the contractor raised the finance for the construction of the buildings. The assets and liabilities relating to this scheme are recognised on the Group and University's balance sheet. Service commenced on 1 August 2003 and the contract will finish on 31 July 2033. The charge to the Group statement of comprehensive income for rent and service charges is £11.9m (2022: £11.0m). These charges are recorded within other operating expenses and are subject to annual RPI inflation.

#### Movement in service concession arrangement assets

The asset value of the service concession included in the balance sheet as at 31 July 2023 is £5,455,000 (2022: £5,591,000). The reduction of £136,000 is as a result of depreciation.

#### Movement in service concession arrangement liabilities

The total liabilities relating to the service concession included in the balance sheet as at 31 July 2023 were £2,724,000 (2022: £2,997,000). The difference is principal repaid of £273,000 during the year.

#### Future commitments

The following table analyses the University's future commitments in relation to service concessions arrangements.

	Liability repayments £'000	Finance charge £'000	Service charge £'000	2023 Total £'000	2022 Total £'000
<b>Group and University</b>					
Due within one year	273	150	3,830	<b>4,253</b>	4,268
Due between one and two years	273	135	3,830	<b>4,238</b>	4,253
Due between two and five years	1,089	390	15,320	<b>16,799</b>	16,860
Due in five years or more	1,089	150	15,320	<b>16,559</b>	20,736
	<b>2,724</b>	<b>825</b>	<b>38,300</b>	<b>41,849</b>	46,117

### ii. College Lane campus

In May 2013, the University disposed of its remaining residential accommodation on the College Lane campus to ULiving@Hertfordshire plc, a third-party property developer and operator under a contract to demolish the existing accommodation and construct 3,000 student bedrooms. The construction was completed in September 2016. ULiving@Hertfordshire plc will continue to operate the residential accommodation until 2063, at which point the facilities will revert back to University ownership. Unlike the service concession arrangement above, the University does not incur a minimum guaranteed payment, and demand risk has transferred to a third party outside of the Group. Therefore, the University has no asset or liability to recognise on the balance sheet. This arrangement has been accounted for as an operating lease as detailed in note 28.

## 15. Non-current investments

	Investment properties £'000	Other non-current investments £'000	Total £'000
<b>Group</b>			
At 1 August 2022	21,726	11,955	33,681
Additions	-	1,682	1,682
Loss on revaluation	-	(49)	(49)
<b>At 31 July 2023</b>	<b>21,726</b>	<b>13,588</b>	<b>35,314</b>

	Subsidiary companies £'000	Investment properties £'000	Other non-current investments £'000	Total £'000
<b>University</b>				
At 1 August 2022	53,033	16,785	9,347	79,165
Additions	-	-	1,545	1,545
Loss on revaluation	-	-	(12)	(12)
Impairment	(1,765)	-	-	(1,765)
<b>At 31 July 2023</b>	<b>51,268</b>	<b>16,785</b>	<b>10,880</b>	<b>78,933</b>

Other non-current investments consist of:

	Total £'000
<b>Group</b>	
Uliving@Hertfordshire plc	10,007
COIF Charities Investment Fund	3,081
Other investments	500
<b>At 31 July 2023</b>	<b>13,588</b>

	Total £'000
<b>University</b>	
Uliving@Hertfordshire plc	10,007
COIF Charities Investment Fund	836
Other investments	37
<b>At 31 July 2023</b>	<b>10,880</b>



**15. Non-current investments (continued)**

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
<b>Loss on investments</b>				
Loss on revaluation of other non-current investments	<b>(49)</b>	<b>(12)</b>	(29)	(5)
Gain/(loss) on revaluation of current investments	<b>7</b>	<b>7</b>	(1,001)	(1,001)
	<b>(42)</b>	<b>(5)</b>	(1,030)	(1,006)

The University's subsidiary companies are listed in note 16. They are stated at cost less any provision for impairment. During the year, there was an impairment of £1,765,000 to the carrying value of the investment in UH Holdings Limited due to changes in the asset values of Polyfield Property Limited.

On transition to FRS 102 on 1 August 2014, a number of the premises owned by the Group were reclassified as investment properties and these are held on the balance sheet at fair value. The value of investment properties was last assessed by an independent valuer (Lambert Smith Hampton) with a recognised and relevant professional qualification as at 31 July 2021, and their value was adjusted accordingly. A subsequent internal review was carried out as at 31 July 2023 by the University's Director of Estates (who is RICS qualified) and it was concluded that no further adjustment to value was needed at that time.

The University holds £8,059,996 of Class B Loan Notes in Uliving@Hertfordshire plc, the company which developed and operates the student residential accommodation on the College Lane campus. Interest accrues at RPI plus 6% until the target internal rate of return is reached and at RPI plus 9% thereafter. At the balance sheet date, the carrying amount of the investment includes accrued capitalised interest of £3,820,000 (2022: £2,564,000). The loan notes are redeemable in accordance with a payment schedule commencing 31 January 2017 until 2063. During the year loan notes with a value of £nil (2022: £nil) were redeemed.

## 16. Subsidiary undertakings

The University's subsidiaries (all of which are registered in England and Wales) are wholly owned or effectively controlled by the University and are as follows:

Company	Nature of business	% shareholding
UH Holdings Limited	Holding company	100%
UH Trust	Dissolved 9 August 2022	

The value of the investment in subsidiary undertakings in note 15 held by the University of £51,268,000 (2022: £53,033,000), relates solely to UH Holdings Limited.

The subsidiary companies of UH Holdings Limited are all registered in England and Wales except UH Global Education (Asia-Pacific) Sdn Bhd (registered in Malaysia). These companies are wholly owned or effectively controlled by UH Holdings Limited and are as follows:

Company	Nature of business	% shareholding
UH Ventures Limited	Training, consultancy and conference services	100%
Universitybus Limited	Transport services	100%
Polyfield Property Limited	Provision of property services and sports facilities	100%
Exemplas Limited	Provision of services to business	100%
UH Global Education (Asia-Pacific) Sdn Bhd	Overseas student recruitment	100%
Exemplas Holdings Limited	Dissolved 13 September 2022	

The wholly owned subsidiary company of Exemplas Limited, Exemplas Trade Services Limited, was dissolved on 12 September 2023.

All of the above subsidiaries are consolidated in the Group accounts.

Exemplas Limited has a 33.33% shareholding in Newable Exemplas Trade Services Limited, the company has not yet commenced trading.

## 17. Investment in joint ventures

The University, through its subsidiary companies, holds the following investments in joint ventures.

UH Holdings Limited holds 400,000 'A' ordinary shares in University Campus St Albans Limited and 51 'B' ordinary shares. This is a joint venture between the University of Hertfordshire and Oaklands College Further Education Corporation and its principal activity is the delivery of flexible degree level education. The company ceased to trade on 31 July 2022 and its activities have been transferred to the University of Hertfordshire.

Universitybus Limited owns 49,999 'A' ordinary shares in Uno Buses (Northampton) Limited, a joint venture that operates bus services in the Northampton area. The remaining 50,001 'B' ordinary shares are held by University of Northampton Enterprises Limited, a subsidiary of the University of Northampton.

Exemplas Limited had a 50% shareholding in Enterprise Growth Solutions Limited. The remaining 50% of shares held by REED in Partnership Limited. The company ceased to trade on 30 June 2022 and was dissolved on 12 September 2023.

The above investments are treated as joint ventures and are accounted for using the equity method with the group share of the gross assets and liabilities of each entity being recorded in the consolidated balance sheet and the group share of its net income reported in the consolidated statement of comprehensive income.

	University Campus St Albans Limited 2023 £'000	Uno Buses (Northampton) Limited 2023 £'000	Enterprise Growth Solutions Limited 2023 £'000	Total 2023 £'000
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### Group

#### Statement of comprehensive income

Income	-	1,132	1	1,133
Surplus/(deficit) before tax	15	(3)	1	13
Tax charge	-	-	-	-
Distribution paid in the year	-	-	(475)	(475)

#### Balance sheet

Fixed assets	-	37	-	37
Current assets	150	195	-	345
Creditors: amounts falling due within one year	-	(196)	-	(196)
Creditors: amounts falling due after more than one year	-	(37)	-	(37)
<b>Share of net assets</b>	<b>150</b>	<b>(1)</b>	<b>-</b>	<b>149</b>

2022 £'000	2022 £'000	2022 £'000	2022 £'000
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### Group

#### Statement of comprehensive income

Income	312	1,234	1,765	3,311
Surplus/(deficit) before tax	(75)	(73)	244	96
Tax charge	-	-	(47)	(47)
Distribution paid in the year	-	-	(400)	(400)

#### Balance sheet

Fixed assets	-	43	-	43
Current assets	154	178	710	1,042
Creditors: amounts falling due within one year	(19)	(169)	(236)	(424)
Creditors: amounts falling due after more than one year	-	(50)	-	(50)
<b>Share of net assets</b>	<b>135</b>	<b>2</b>	<b>474</b>	<b>611</b>

**18. Trade and other receivables**

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Research grants receivable	<b>5,507</b>	<b>5,479</b>	4,244	4,134
Other trade receivables	<b>48,079</b>	<b>47,306</b>	37,981	36,893
Other receivables	<b>467</b>	<b>49</b>	476	31
Prepayments and accrued income	<b>11,794</b>	<b>7,803</b>	8,721	5,295
Amounts due from subsidiaries	-	<b>1,437</b>	-	869
Amounts due from related undertakings	<b>98</b>	-	134	-
Derivatives	-	-	422	-
	<b>65,945</b>	<b>62,074</b>	51,978	47,222

A deferred tax asset of £668,000 (2022: £895,000) in relation to tax losses has not been recognised due to uncertainty as to the extent and timing of relief. Management will continue to assess this situation on an annual basis and update their estimate as appropriate.

**19. Current investments**

	<b>2023</b>	2022
	<b>£'000</b>	£'000
<b>Group and University</b>		
Short-term deposits	<b>66,035</b>	51,716
	<b>66,035</b>	51,716



**20. Creditors: amounts falling due within one year**

		<b>2023</b>	<b>2023</b>	2022	2022
	Notes	<b>Group £'000</b>	<b>University £'000</b>	Group £'000	University £'000
Unsecured loans		<b>2,233</b>	<b>2,233</b>	2,172	2,172
Obligation under finance leases		<b>639</b>	<b>-</b>	608	-
Service concession arrangements	14	<b>273</b>	<b>273</b>	273	273
Trade payables		<b>9,066</b>	<b>8,352</b>	6,509	5,726
Other payables		<b>4,247</b>	<b>4,089</b>	4,094	4,001
Social security and other taxation payable		<b>4,944</b>	<b>4,495</b>	4,090	3,570
Amounts due to subsidiaries		<b>-</b>	<b>1,138</b>	-	1,277
Amounts due to related undertakings		<b>109</b>	<b>-</b>	278	153
Accruals and deferred income		<b>155,111</b>	<b>151,901</b>	123,234	119,892
Derivatives		<b>51</b>	<b>-</b>	-	-
		<b>176,673</b>	<b>172,481</b>	141,258	137,064

**Deferred income**

Included within accruals and deferred income are the following items of income which have been deferred until specific performance-related conditions have been met:

	<b>2023</b>	<b>2023</b>	2022	2022
	<b>Group £'000</b>	<b>University £'000</b>	Group £'000	University £'000
Research grants received on account	<b>874</b>	<b>874</b>	1,557	1,557
Other grant income	<b>194</b>	<b>194</b>	55	55
	<b>1,068</b>	<b>1,068</b>	1,612	1,612

## 21. Creditors: amounts falling due after more than one year

		2023	2023	2022	2022
	Notes	Group £'000	University £'000	Group £'000	University £'000
Deferred income		29,180	29,179	28,605	28,605
Service concession arrangements	14	2,451	2,451	2,724	2,724
Obligation under finance leases		7,493	-	8,133	-
Unsecured loans		43,099	43,099	45,332	45,332
		<b>82,223</b>	<b>74,729</b>	84,794	76,661

### Deferred income

Deferred income represents government grants received in respect of the acquisition or construction of fixed assets that are being recognised in income over the expected useful life of the relevant asset.

	2023	2023	2022	2022
	Group £'000	University £'000	Group £'000	University £'000
<b>Analysis of unsecured loans</b>				
<b>Due within one year or on demand</b>	<b>2,233</b>	<b>2,233</b>	2,172	2,172
Due between one and two years	2,281	2,281	2,233	2,233
Due between two and five years	7,176	7,176	7,011	7,011
Due in five years or more	33,642	33,642	36,088	36,088
<b>Due after more than one year</b>	<b>43,099</b>	<b>43,099</b>	45,332	45,332
<b>Total unsecured loans repayable by 2043</b>	<b>45,332</b>	<b>45,332</b>	47,504	47,504

### Unsecured loans

All loans are unsecured bank loans borrowed by the University.

	Term	Amount £'000
<b>Interest rate %</b>		
5.42	2032	<b>3,197</b>
Base + 0.16	2030	<b>1,650</b>
5.38	2042	<b>6,221</b>
5.15	2042	<b>1,740</b>
4.5	2042	<b>15,102</b>
SONIA + 0.60 + CAS (0.12)	2043	<b>13,500</b>
Base + 0.16	2037	<b>3,922</b>
<b>Total unsecured loans</b>		<b>45,332</b>

Following the cessation of LIBOR, the interest rate on the 2043 term loan changed from LIBOR (plus a margin rate of 0.6%) to SONIA (plus a margin rate of 0.6%) compounded in arrears with a five-business day lag plus the applicable credit adjustment spread of 0.1193% with effect from 1 January 2022.

	2023	2022
	Group £'000	Group £'000
<b>Analysis of finance lease obligations:</b>		
<b>Due within one year or on demand</b>	<b>639</b>	608
Due between one and two years	673	639
Due between two and five years	2,237	2,126
Due in five years or more	4,583	5,368
<b>Due after more than one year</b>	<b>7,493</b>	8,133
<b>Total obligations under finance lease</b>	<b>8,132</b>	8,741

The above represents the finance lease in respect of the Hertfordshire Sports Village. The University has no finance leases.

## 22. Financial instruments

		2023	2023	2022	2022
	Notes	Group £'000	University £'000	Group £'000	University £'000
<b>Financial assets</b>					
<b>Measured at fair value through statement of comprehensive income</b>					
Investments in common investments funds	15	3,081	836	2,993	848
Other current investments	19	18,035	18,035	18,458	18,458
Derivative financial instruments	20/18	(52)	-	422	-
<b>Measured at cost less impairment</b>					
Other non-current investments	15	10,507	61,312	8,962	61,532
<b>Measured at amortised cost</b>					
Cash and cash equivalents		102,462	92,282	99,718	91,742
Other current investments	19	48,001	48,001	33,258	33,258
Trade and other receivables	18	54,151	54,271	42,835	41,927
<b>Measured at amortised cost</b>					
Loans payable	21	45,332	45,332	47,504	47,504
Obligation under finance leases	20/21	8,132	-	8,741	-
Obligation under service concession arrangements	14	2,724	2,724	2,997	2,997
Trade creditors	20	9,066	8,352	6,509	5,726
Other creditors	20	4,247	4,089	4,094	4,001

### Derivative financial instruments

A subsidiary company, Universitybus Limited, has entered into commodity swaps for the period to November 2024. The swaps give rise to monthly cash flow exchanges with counterparties to offset the underlying settlement of floating fuel price costs. Gains or losses on fuel derivatives are recycled from reserves to the consolidated statement of comprehensive income on qualifying hedges to achieve fixed-rate fuel costs within operating results. The commodity swaps are designated and effective as hedging instruments. They are measured at fair value and are included in the financial statements as noted above and in note 25. The gains transferred from reserves into the consolidated statement of comprehensive income during the year are included within other operating expenses.

### 23. Provision for liabilities

	Obligation to fund deficit on USS pension £'000	Defined benefit obligation £'000	Total pension provisions £'000	Other provisions £'000	Total £'000
<b>Group and University</b>					
At 1 August 2022	2,523	2,042	<b>4,565</b>	403	<b>4,968</b>
Utilised in year	(119)	(8,854)	<b>(8,973)</b>	(63)	<b>(9,036)</b>
(Decrease)/increase in provision	(597)	6,812	<b>6,215</b>	63	<b>6,278</b>
<b>At 31 July 2023</b>	<b>1,807</b>	<b>-</b>	<b>1,807</b>	<b>403</b>	<b>2,210</b>

#### Universities Superannuation Scheme deficit (USS)

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme to fund deficit payments in accordance with the deficit recovery plan. Management have estimated future growth in the number of employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

#### Defined benefit obligation

This obligation is in respect of the Local Government Pension Scheme.

Further details regarding both pension schemes and the assumptions underlying the above provisions can be found in note 31.

#### Other provisions

The balance carried forward at 31 July 2023 represents the VAT capital goods scheme provision and reflects the current estimate of the VAT liability payable over the next 10 years on costs incurred in the construction and refurbishment of various properties within the Group's estate.

**24. Endowment reserve**

	Notes	Restricted permanent £'000	Unrestricted permanent £'000	2023 Total £'000	2022 Total £'000
<b>Group</b>					
<b>Balance at 1 August</b>					
Capital		2,367	624	<b>2,991</b>	2,876
Accumulated income		268	200	<b>468</b>	435
		<b>2,635</b>	<b>824</b>	<b>3,459</b>	3,311
New endowments	7	-	-	-	137
Investment income	6	74	23	<b>97</b>	67
Expenditure		(30)	-	<b>(30)</b>	(34)
(Decrease)/increase in market value of investments		(37)	2	<b>(35)</b>	(22)
<b>Total endowment comprehensive expenditure for the year</b>		7	25	<b>32</b>	148
<b>Balance at 31 July</b>		<b>2,642</b>	<b>849</b>	<b>3,491</b>	3,459
<b>Represented by:</b>					
Capital		2,322	626	<b>2,948</b>	2,991
Accumulated income		320	223	<b>543</b>	468
<b>Total</b>		<b>2,642</b>	<b>849</b>	<b>3,491</b>	3,459
<b>Analysis by type or purpose:</b>					
Scholarships and bursaries		2,642	-	<b>2,642</b>	2,635
General		-	849	<b>849</b>	824
		<b>2,642</b>	<b>849</b>	<b>3,491</b>	3,459
<b>Analysis by asset:</b>					
Current and non-current investments		2,246	170	<b>2,416</b>	2,514
Cash and cash equivalents		396	679	<b>1,075</b>	945
		<b>2,642</b>	<b>849</b>	<b>3,491</b>	3,459



**24. Endowment reserve (continued)**

		<b>2023 Total £'000</b>	<b>2022 Total £'000</b>
<b>Unrestricted permanent</b>	Notes		
<b>University</b>			
<b>Balance at 1 August</b>			
Capital		<b>624</b>	621
Accumulated income		<b>200</b>	192
		<b>824</b>	813
Investment income	6	<b>23</b>	8
Increase in market value of investments		<b>2</b>	3
<b>Total endowment comprehensive expenditure for the year</b>		<b>25</b>	11
<b>Balance at 31 July</b>		<b>849</b>	824
<b>Represented by:</b>			
Capital		<b>626</b>	624
Accumulated income		<b>223</b>	200
<b>Total</b>		<b>849</b>	824
<b>Analysis by type or purpose:</b>			
General		<b>849</b>	824
		<b>849</b>	824
<b>Analysis by asset:</b>			
Current and non-current investments		<b>170</b>	168
Cash and cash equivalents		<b>679</b>	656
		<b>849</b>	824

**25. Restricted reserves**

	Cash flow hedge reserve £'000	Donations £'000	2023 Total £'000	2022 Total £'000
<b>Group</b>				
<b>Balance at 1 August</b>	422	310	<b>732</b>	433
Donations	-	537	<b>537</b>	132
Expenditure	-	(572)	<b>(572)</b>	(172)
Investment income	-	26	<b>26</b>	-
Change in fair value of hedging financial instruments	(473)	-	<b>(473)</b>	339
<b>Total restricted comprehensive (expenditure)/income for the year</b>	<b>(473)</b>	<b>(9)</b>	<b>(482)</b>	299
<b>Balance at 31 July</b>	<b>(51)</b>	<b>301</b>	<b>250</b>	732
<b>Analysis of donations by type or purpose:</b>				
Research support		78	<b>78</b>	75
Scholarships and bursaries		149	<b>149</b>	151
Other		74	<b>74</b>	84
		<b>301</b>	<b>301</b>	310

	Donations £'000	2023 Total £'000	2022 Total £'000
<b>University</b>			
<b>Balance at 1 August</b>	310	<b>310</b>	462
Donations	203	<b>203</b>	167
Investment income	26	<b>26</b>	-
Expenditure	(95)	<b>(95)</b>	(319)
<b>Total restricted comprehensive income/(expenditure) for the year</b>	<b>134</b>	<b>134</b>	(152)
<b>Balance at 31 July</b>	<b>444</b>	<b>444</b>	310
<b>Analysis of donations by type or purpose:</b>			
Research support	77	<b>77</b>	75
Scholarships and bursaries	149	<b>149</b>	151
Other	218	<b>218</b>	84
	<b>444</b>	<b>444</b>	310

## 26. Reconciliation of net debt

		2023	2022
	Notes	Group £'000	Group £'000
<b>Net debt at 1 August</b>		<b>(40,476)</b>	(35,110)
Movement in cash and cash equivalents		<b>(2,744)</b>	(2,385)
Non-cash changes		<b>(2,633)</b>	(3,320)
Changes in market value and exchange rates	25	<b>(473)</b>	339
<b>Net debt at 31 July</b>		<b>(46,326)</b>	(40,476)
<b>Change in net debt</b>		<b>(5,850)</b>	(5,366)
<b>Analysis of net debt:</b>			
<b>Cash and cash equivalents</b>		<b>102,462</b>	99,718
<b>Borrowings: amounts falling due within one year</b>			
Unsecured loans	21	<b>2,233</b>	2,172
Obligation under finance leases	20	<b>639</b>	608
Service concession arrangements	14	<b>273</b>	273
Derivatives		<b>(52)</b>	-
		<b>3,093</b>	3,053
<b>Borrowings: amounts falling due after more than one year</b>			
Unsecured loans	21	<b>43,099</b>	45,332
Obligation under finance leases	21	<b>7,493</b>	8,133
Service concession arrangements	14	<b>2,451</b>	2,724
		<b>53,043</b>	56,189
<b>Net debt at 31 July</b>		<b>(46,326)</b>	(40,476)

## 27. Capital commitments

Provision has not been made for the following capital commitments:

	2023	2023	2022	2022
	Group £'000	University £'000	Group £'000	University £'000
Contracted at 31 July	32,091	30,589	62,646	62,646
Authorised but not contracted at 31 July	18,009	17,900	1,600	1,389
	50,100	48,489	64,246	64,035

## 28. Lease obligations

	2023	2023	2023	2022
	Land and buildings £'000	Plant and machinery £'000	Total £'000	Total £'000
<b>Group</b>				
<b>Payable during the year</b>	20,121	434	20,555	19,921
<b>Future minimum lease payments due:</b>				
Within one year	21,036	461	21,497	19,756
Between one and five years	44	566	610	596
More than five years	-	-	-	-
<b>Total future lease payments due</b>	21,080	1,027	22,107	20,352

	2023	2023	2023	2022
	Land and buildings £'000	Plant and machinery £'000	Total £'000	Total £'000
<b>University</b>				
<b>Payable during the year</b>	22,043	98	22,141	21,562
<b>Future minimum lease payments due:</b>				
Within one year	22,954	79	23,033	21,480
Between one and five years	7,716	-	7,716	7,745
More than five years	17,262	-	17,262	19,180
<b>Total future lease payments due</b>	47,932	79	48,011	48,405

## 29. Related parties

		2023	2023	2022	2022
		Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Name of related party and relationship	Nature of transaction				
Uno Buses (Northampton) Limited					
Joint venture	Management fee, staff recharges, vehicle usage	374	702	518	1,591
Enterprise Growth Solutions Limited					
Joint venture	Management fee and staff recharges	45	-	360	31
University Campus St Albans Limited					
Joint venture	Grant and student loans funding; management fee and academic delivery related charges	35	46	317	140
Uliving@Hertfordshire plc					
Mrs S Harrison-Barker, Secretary and Registrar of the University, is a director	Student residences rent and facilities	199	21,928	148	21,410
Oaklands College Further Education Corporation					
Ms Mairi Watson, Pro-Vice Chancellor of the University, is a governor	Transport services; grant funding to associate college	202	2	192	961
Southern Universities Management Services					
Mrs S Harrison-Barker, Secretary and Registrar of the University is a director	Subscription	-	80	-	57
Advance HE					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Subscription, training and consultancy	-	97	-	158
University of Hertfordshire Students' Union					
Manoj Kumar Nagireddy, Governor of the University is President and Dr Mairi Watson, Pro Vice-Chancellor of the University, is a Trustee	Student's Union subvention grant, rent and other service charges	618	52	554	1,849
Universities UK					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Subscription	-	46	-	44
University Alliance					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Management fee for services; funding for Early Stage Researchers; subscription	34	48	147	89
Hertfordshire Local Enterprise Partnership					
Professor J A Newlan, Deputy Vice-Chancellor of the University is a director	Grant funding	1,521	-	1,623	-



**29. Related parties (continued)**

		2023	2023	2022	2022
		Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Name of related party and relationship	Nature of transaction				
Chiltern Automotive Limited					
Mr J S Thorpe, director of subsidiary company Universitybus Limited, is related to a director of this company	Purchase of goods and services	-	2	-	47
BYD (U.K.) Co. Ltd					
Mr J S Thorpe, director of subsidiary company Universitybus Limited, is related to a director of this company	Purchase of goods and services	-	149	-	73

	2023	2023	2022	2022
	Debtor £'000	Creditor £'000	Debtor £'000	Creditor £'000
<b>Name of related party</b>				
Uno Buses (Northampton) Limited	32	-	40	76
Enterprise Growth Solutions Limited	-	-	52	-
University Campus St Albans Limited	-	-	-	150
Uliving@Hertfordshire plc	-	1,627	-	801
Oaklands College Further Education Corporation	17	-	15	93
Advance HE	-	-	-	65
University Alliance	-	-	-	12
Hertfordshire Local Enterprise Partnership	-	-	105	-
Chiltern Automotive Limited	-	-	-	16

The University has applied the exemption in FRS 102 and has not disclosed transactions with wholly owned subsidiary companies.

### 30. Connected charitable institutions

The University of Hertfordshire Charitable Trust is a connected charitable institution of the University of Hertfordshire and, under paragraph 28 of Schedule 3 to the Charities Act 2011, is exempt from registration with the Charity Commission. The University of Hertfordshire Charitable Trust holds the permanent endowment funds.

The charity was established to raise funds and make awards of grants, scholarships, bursaries and prizes which advance and further education, learning and research at the University of Hertfordshire and which assist in the provision of buildings and facilities at the University.

The University of Hertfordshire undertakes fundraising activities in order to solicit support from individuals, trusts and foundations, and companies for the University's work. University employees undertake meetings with individuals, including alumni of the institution, and companies to ascertain their interest in supporting the University philanthropically. In addition, bespoke written applications are submitted to charitable trusts and foundations for the support of research and other projects undertaken by the University. This activity is undertaken by professional staff members in the University's Development team. Having registered with the Fundraising Regulator, the University ensures that its employees are undertaking fundraising to the standard outlined by the Regulator.

The governance and stewardship of the permanent endowment funds held by the charity together with the income funds held in the University, is overseen by the Vice-Chancellor's Development Committee who report annually to the Board of Governors. The committee met regularly through the year to consider strategic issues and areas of activity, including grant making, investment, reserves and risk management policies and performance. It ensured that good practice is being maintained and that no individual is ever placed under any pressure to support the University, nor has their privacy intruded upon inappropriately. No complaints have been received by the University or any person acting on its behalf in respect of fundraising activity.

The activity of the University of Hertfordshire Charitable Trust, as summarised below, is consolidated into the Group accounts.

	At 1 August 2022 £'000	Income £'000	Expenditure £'000	Change in market value £'000	At 31 July 2023 £'000
<b>University of Hertfordshire Charitable Trust</b>	2,635	<b>74</b>	<b>(30)</b>	<b>(37)</b>	<b>2,642</b>
	2,635	<b>74</b>	<b>(30)</b>	<b>(37)</b>	<b>2,642</b>

### 31. Pension schemes

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) for most academic and related staff and the Local Government Pension Scheme (LGPS) for non-academic staff. The University also participates in the Universities Superannuation Scheme (USS) for a small number of designated employees.

The subsidiary companies, Universitybus Limited, Polyfield Property Limited and UH Ventures Limited participate in NEST, for those employees who are not members of the LGPS. NEST is a qualifying pension scheme established by law to support the introduction of automatic enrolment. It is a national multi-employer defined contribution scheme. Universitybus Limited also provides a group Life Assurance Scheme for employees who are not members of the LGPS. Exemplas Limited operates a group administered defined contribution personal pension plan.

#### Summary of pension scheme costs

	Notes	Employer contributions 2023 £'000	Provision movement 2023 £'000	Total 2023 £'000	Employer contributions 2022 £'000	Provision movement 2022 £'000	Total 2022 £'000
<b>Group</b>							
TPS		14,925	-	14,925	13,551	-	13,551
LGPS		8,854	3,813	12,667	8,199	12,905	21,104
USS		414	(800)	(386)	448	1,517	1,965
Other		585	-	585	835	-	835
	8	24,778	3,013	27,791	23,033	14,422	37,455
<b>University</b>							
TPS		14,925	-	14,925	13,550	-	13,550
LGPS		8,306	3,813	12,119	7,561	12,341	19,902
USS		414	(800)	(386)	448	1,517	1,965
	8	23,645	3,013	26,658	21,559	13,858	35,417

The following employer contributions are included in creditors due within one year at 31 July:

	2023 Group £'000	2023 University £'000	2022 Group £'000	2022 University £'000
TPS	1,293	1,293	1,132	1,132
LGPS	681	681	627	627
USS	34	34	37	37
Other	52	-	46	-
	2,060	2,008	1,842	1,796

### 31. Pension schemes (continued)

#### Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme and as such the contributions payable to the scheme are accounted for as if it were a defined contribution scheme.

#### Valuation

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 28.6% (2016 valuation: 23.68%) of pensionable pay (including a 0.08% administration levy).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000m (2016 valuation: £218,100m) and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,000m (2016 valuation: £196,100m), giving a notional past service deficit of £39,800m (2016 valuation: £22,000m).

The result of the 2020 valuation is due to be implemented from 1 April 2024.

A copy of the 2020 valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

#### Universities Superannuation Scheme (USS)

The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Entry into USS for employees at University of Hertfordshire is provided on a limited basis. As a default, employees are contractually enrolled in either TPS or LGPS. Entry is available by way of election if an employee has actively paid contributions to the USS with their previous employer within 30 days of starting their employment at the University.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme's technical provisions was £80.6bn, indicating a shortfall of £14.1bn and a funding ratio of 83%.

The impact of the 2020 valuation has resulted in a net credit to the consolidated statement of comprehensive income of £800,000 (2022: cost of £1,517,000) as detailed in the summary of pension scheme costs above.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the [Statement of Funding Principles](#) on the USS website.

**31. Pension schemes (continued)**

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: <ul style="list-style-type: none"> <li>■ Pre-retirement: 2.75% p.a.</li> <li>■ Post-retirement: 1.00% p.a.</li> </ul>

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

<b>2020 valuation</b>	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	<b>2023</b>	2022
Males currently aged 65 (years)	<b>24.0</b>	23.9
Females currently aged 65 (years)	<b>25.6</b>	25.5
Males currently aged 45 (years)	<b>26.0</b>	25.9
Females currently aged 45 (years)	<b>27.4</b>	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

**USS**

<b>Financial assumptions</b>	<b>2023</b>	2022
Discount rate	<b>5.52%</b>	3.05%
Pensionable salary growth	<b>3.30%</b>	3.31%

**Sensitivity analysis**

As set out in the accounting estimates and judgements, a number of key assumptions have been made in estimating the retirement benefit obligation valuations. The sensitivity of the principal assumptions used to measure the USS funding deficit provision are set out below:

<b>Changes in the USS funding deficit provision assumptions</b>	Approximate % increase to deficit provision as at 31 July 2023	Approximate monetary amount £'000
0.5% p.a. increase in discount rate	(4)%	(66)
0.5% p.a. increase in salary inflation over duration	4%	71
1% p.a. increase in deficit contributions from April 2023	16%	287
One-year increase in the duration of the deficit repayment plan	7%	123



### 31. Pension schemes (continued)

#### Local Government Pension Scheme (LGPS)

The LGPS is regulated by statute, with separate regulations for (a) England and Wales and (b) Scotland. The benefits of the LGPS are determined nationally by regulation and meet the definition of a defined benefit scheme. It is a funded scheme, with some 101 separate funds administered locally by administering authorities. Each fund has many employing authorities. Hertfordshire County Council is the administering authority with the District Councils in their county, and other bodies, for example the University, being employing authorities within that scheme. The University's wholly owned subsidiary, Universitybus Limited, was an admitted body to the fund until 31 March 2022. With effect from 1 April 2022, the assets and liabilities of the Universitybus Limited scheme have been subsumed by the University of Hertfordshire and therefore Universitybus Limited no longer has any active members within the LGPS under its own admission agreement; these have been transferred to the University of Hertfordshire scheme. All other subsidiary companies contribute to the scheme through the University and these contributions are included in the University only figures below.

The LGPS is not therefore a national multi-employer scheme, but each separate LGPS fund is a multi-employer scheme.

Changes to the LGPS permit employees retiring on or after 6 April 2006 to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

In calculating the scheme assets and liabilities, the fund's actuaries had to make a number of assumptions about events and circumstances in the future. These assumptions represent the best estimate of expected outcomes, but it is possible that actual outcomes will differ from those included in the accounts. Any differences between expected and actual outcomes are reported through experience gains and losses.

The 31 March 2022 triennial funding valuation results included the impact of full GMP indexation and as such any increase to the defined benefit obligations as a result of GMP indexation is included in the pension scheme liability disclosed below.

Employer contributions are affected by a surplus or deficit in the scheme. All new entrants to the fund are now single-status employees and there is no longer any classification of officer and manual employees. The contribution rates for the year were:

University of Hertfordshire (to 31 March 2023):	19.20%
University of Hertfordshire (from 1 April 2023):	17.80%
Universitybus Limited (to 31 March 2022):	
Employer – weekly paid staff	26.60%
Employer – monthly paid staff	19.20%
Employees	5.50% - 12.50%

The estimated employer contribution payable for the year ending 31 July 2024 is £7,665,000.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2022, updated to 31 July 2023 by a qualified independent actuary.

	2023	2022	2021
<b>Financial assumptions</b>			
Inflation and rate of increase in pension	<b>3.00%</b>	2.75%	2.60%
Rate of increase in salaries	<b>3.30%</b>	3.05%	1.80%
Expected return on assets	<b>5.05%</b>	3.50%	1.75%
Discount rate for liabilities	<b>5.05%</b>	3.50%	1.75%

**31. Pension schemes (continued)****Local Government Pension Scheme (LGPS) (continued)****Mortality assumptions**

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

	<b>2023</b>	2022
Males currently aged 65 (years)	<b>21.6</b>	21.9
Females currently aged 65 (years)	<b>24.5</b>	24.4
Males currently aged 45 (years)	<b>22.4</b>	22.9
Females currently aged 45 (years)	<b>25.8</b>	26.0

The assets in the scheme (of which the Group's share is 6% (2022: 5%)) and the expected rates of return were:

	<b>2023 £'000</b>	2022 £'000	2021 £'000
Equities	<b>2,927,720</b>	2,876,120	3,485,560
Bonds	<b>1,104,800</b>	1,659,300	2,010,900
Property	<b>773,360</b>	608,410	737,330
Cash	<b>718,120</b>	387,170	469,210
<b>Total market value of assets</b>	<b>5,524,000</b>	5,531,000	6,703,000

	<b>2023</b>	2022	2021
Weighted average expected long-term rates of return	<b>3.5%</b>	1.8%	1.4%

Under FRS 102 the expected rates of return are equal to the discount rate.

The pension scheme liability detailed below also takes account of the University's unfunded pension liability, which relates to pension enhancements payable to staff who have taken early retirement.

### 31. Pension schemes (continued)

#### Local Government Pension Scheme (LGPS) (continued)

	2023	2023	2022	2022
	Group £'000	University £'000	Group £'000	University £'000
<b>Analysis of the amount shown in the balance sheet</b>				
Present value of scheme liabilities	(297,600)	(297,600)	(333,884)	(333,884)
Fair value of scheme assets (bid value)	331,419	331,419	331,842	331,842
<b>Asset/(deficit) in the scheme</b>	<b>33,819</b>	<b>33,819</b>	(2,042)	(2,042)
Effect of cap on pension surplus	(33,819)	(33,819)	-	-
<b>Adjusted deficit in the scheme – net pension liability recorded within pension provisions (note 23)</b>	<b>-</b>	<b>-</b>	(2,042)	(2,042)
<b>The amounts recognised in the surplus for the year</b>				
Current service cost	12,618	12,618	20,612	20,471
Past service cost (including curtailments)	49	49	50	50
Settlements	-	-	442	(62)
<b>Total operating charge</b>	<b>12,667</b>	<b>12,667</b>	21,104	20,459
Interest on obligation	11,783	11,783	7,686	7,560
Expected return on scheme assets	(11,645)	(11,645)	(6,078)	(5,948)
<b>Net charge on pension scheme</b>	<b>138</b>	<b>138</b>	1,608	1,612
<b>Total charged to the surplus for the year</b>	<b>12,805</b>	<b>12,805</b>	22,712	22,071
<b>Analysis of other comprehensive income</b>				
Actual return less expected return on pension scheme assets	(24,690)	(24,690)	(23,183)	(22,938)
Experience gains and losses arising on the scheme liabilities	(33,956)	(33,956)	(1,208)	(1,169)
Change in assumptions underlying present value of the scheme	98,458	98,458	122,489	122,052
<b>Actuarial loss</b>	<b>39,812</b>	<b>39,812</b>	98,098	97,945
Effect of cap on pension surplus	(33,819)	(33,819)	-	-
<b>Total other comprehensive expenditure</b>	<b>5,993</b>	<b>5,993</b>	98,098	97,945
<b>Analysis of movement in the scheme deficit</b>				
Deficit in scheme at 1 August	(2,042)	(2,042)	(85,627)	(86,034)
Movement in period:				
Current service cost	(12,618)	(12,618)	(20,612)	(20,471)
Employer contributions	8,854	8,854	8,199	8,118
Past service costs	(49)	(49)	(50)	(50)
Effect of settlements	-	-	(504)	-
Effect of business combinations and disposals	-	-	62	62
Net interest on assets	(138)	(138)	(1,608)	(1,612)
Actuarial loss	39,812	39,812	98,098	97,945
<b>Asset/(deficit) in scheme at 31 July</b>	<b>33,819</b>	<b>33,819</b>	(2,042)	(2,042)
Effect of cap on pension surplus	(33,819)	(33,819)	-	-
<b>Asset/(deficit) in the scheme – net pension liability recorded within pension provisions (note 23)</b>	<b>-</b>	<b>-</b>	(2,042)	(2,042)

**31. Pension schemes (continued)****Local Government Pension Scheme (LGPS) (continued)**

	2023	2023	2022	2022
	Group £'000	University £'000	Group £'000	University £'000
<b>Analysis of the movement in the fair value of scheme liabilities</b>				
Defined benefit obligation at 1 August	333,884	333,884	432,043	421,178
Current service cost	12,618	12,618	20,612	20,471
Past service costs	49	49	50	50
Liabilities extinguished on settlements	-	-	(10,574)	-
Effect of business combinations and disposals	-	-	11,016	11,016
Interest cost	11,783	11,783	7,686	7,560
Actuarial gain	(54,125)	(54,125)	(121,281)	(120,883)
Estimated unfunded benefits paid	(461)	(461)	(460)	(460)
Estimated funded benefits paid	(9,230)	(9,230)	(8,055)	(7,874)
Contributions by members	3,082	3,082	2,847	2,826
<b>Defined benefit obligation at 31 July</b>	<b>297,600</b>	<b>297,600</b>	<b>333,884</b>	<b>333,884</b>
<b>Analysis of the movement in the fair value of scheme assets</b>				
Fair value of scheme assets at 1 August	331,842	331,842	346,416	335,144
Expected return on scheme assets	11,645	11,645	6,078	5,948
Actuarial loss	(14,313)	(14,313)	(23,183)	(22,938)
Contributions by employer	8,393	8,393	7,739	7,658
Contributions in respect of unfunded benefits	461	461	460	460
Assets distributed on settlements	-	-	(11,078)	-
Effect of business combinations and disposals	-	-	11,078	11,078
Estimated unfunded benefits paid	(461)	(461)	(460)	(460)
Estimated funded benefits paid	(9,230)	(9,230)	(8,055)	(7,874)
Contributions by members	3,082	3,082	2,847	2,826
<b>Fair value of scheme assets at 31 July</b>	<b>331,419</b>	<b>331,419</b>	<b>331,842</b>	<b>331,842</b>
<b>Actual return on scheme assets</b>				
Expected return on scheme assets	11,645	11,645	6,078	5,948
Asset gain	(14,313)	(14,313)	(23,183)	(22,938)
<b>Actual return on scheme assets</b>	<b>(2,668)</b>	<b>(2,668)</b>	<b>(17,105)</b>	<b>(16,990)</b>
<b>Actuarial gain relating to changes in financial assumptions</b>	<b>88,689</b>	<b>88,689</b>	<b>127,661</b>	<b>127,224</b>
<b>Cumulative actuarial gain</b>	<b>49,408</b>	<b>49,494</b>	<b>43,415</b>	<b>43,501</b>

### 31. Pension schemes (continued)

#### Local Government Pension Scheme (LGPS) (continued)

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
<b>History of experience gains and losses</b>					
Difference between the expected and actual return on assets	<b>(24,690)</b>	(23,183)	40,083	3,867	12,425
% of scheme assets	<b>(7.4)%</b>	(7.0)%	11.6%	1.3%	4.3%
Experience (losses)/gains on scheme liabilities	<b>(33,956)</b>	(1,169)	4,781	(6,361)	(115)
% of scheme liabilities	<b>(11.4)%</b>	(0.4)%	(1.1)%	1.6%	0.0%

#### Sensitivity analysis

As set out in the accounting estimates and judgements, a number of key assumptions have been made in estimating the retirement benefit obligation valuations. The sensitivity of the principal assumptions used to measure the LGPS defined benefit obligation are set out below:

Changes in the LGPS defined benefit obligation assumptions	Approximate % increase to defined benefit obligation as at 31 July 2023	Approximate monetary amount £'000
0.1% decrease in real discount rate	2%	5,785
1 year increase in member life expectancy	4%	11,904
0.1% increase in salary increase rate	0%	549
0.1% increase in pension increase rate (CPI)	2%	5,339



### 32. Herts Sports and Physical Activity Partnership

The University of Hertfordshire hosts the Herts Sports and Physical Activity Partnership (HSP), which is one of the County Sports Partnerships in England created as part of the long-term plan for delivering sport across the nation. The results of HSP are included within the financial statements for the University and the consolidated results for the Group. The income and expenditure for the year is detailed separately below.

	Sport England £'000	Local Authority £'000	Other public sector income £'000	2023 Total £'000
<b>Income</b>				
Revenue grant income	894	349	327	<b>1,570</b>
Other income	403	40	40	<b>483</b>
<b>Total income</b>	<b>1,297</b>	<b>389</b>	<b>367</b>	<b>2,053</b>
<b>Expenditure</b>				
Staff costs	906	89	22	<b>1,017</b>
External activity providers	468	277	119	<b>864</b>
Rent and facility hire	49	1	14	<b>64</b>
Marketing	-	23	3	<b>26</b>
Other expenditure	59	64	41	<b>164</b>
<b>Total expenditure</b>	<b>1,482</b>	<b>454</b>	<b>199</b>	<b>2,135</b>
<b>Net income/(expenditure)</b>	<b>(185)</b>	<b>(65)</b>	<b>168</b>	<b>(82)</b>

	Sport England £'000	Local Authority £'000	Other public sector income £'000	2022 Total £'000
<b>Income</b>				
Revenue grant income	871	379	41	1,291
Other income	336	21	-	357
<b>Total income</b>	<b>1,207</b>	<b>400</b>	<b>41</b>	<b>1,648</b>
<b>Expenditure</b>				
Staff costs	425	211	1	637
External activity providers	568	178	10	756
Rent and facility hire	38	28	7	73
Marketing	-	3	3	6
Other expenditure	58	31	12	101
<b>Total expenditure</b>	<b>1,089</b>	<b>451</b>	<b>33</b>	<b>1,573</b>
<b>Net income/(expenditure)</b>	<b>118</b>	<b>(51)</b>	<b>8</b>	<b>75</b>

Income includes £64,000 (2022 £nil) grant receivable from the University. Expenditure includes £82,000 (2022: £1,000) payable to the University and £37,000 (2022: £30,000) to other group companies in respect of rent, facility hire and other expenditure.

### 33. Turing Scheme

The Turing Scheme is a UK government grant that provides funding for international opportunities in education and training. It is accounted for as an agency arrangement and as such, the University does not recognise the income and expenditure in the statement of comprehensive income. The funding is held on the balance sheet and disbursements to students are deducted from the balance.

A summary of the transactions in the year to 31 July is detailed below. The University was awarded a grant of £410,000 for the year to 31 August 2023. This funding has not yet been received in full and the debtor balance at 31 July 2023 will be settled following the audit of the scheme and the final claim submission.

<b>Group and University</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
At 1 August	<b>132</b>	-
Received in the year	<b>245</b>	454
Unspent funding returned for 2021-22	<b>(82)</b>	-
Disbursed to students	<b>(349)</b>	(322)
Organisation costs	<b>(9)</b>	-
<b>At 31 July 2023</b>	<b>(63)</b>	<b>132</b>

### 34. Access and participation expenditure

<b>Group and University</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Access investment	<b>4,357</b>	3,540
Financial support	<b>1,306</b>	993
Disability support	<b>651</b>	596
Research and evaluation	<b>114</b>	265
	<b>6,428</b>	5,394

The total of the approved expenditure in our Access and Participation Plan for the year ended 31 July 2023 was £4,688,000 (2022:£4,615,000), actual expenditure has exceeded the plan.

£3,362,000 (2022:£3,003,000) of the total actual expenditure is already included in the overall staff cost figure included in the financial statements (note 8).

Details of the approved plan can be found at: <https://www.herts.ac.uk/about-us/supporting-our-students/widening-access-and-student-success/access-agreement>

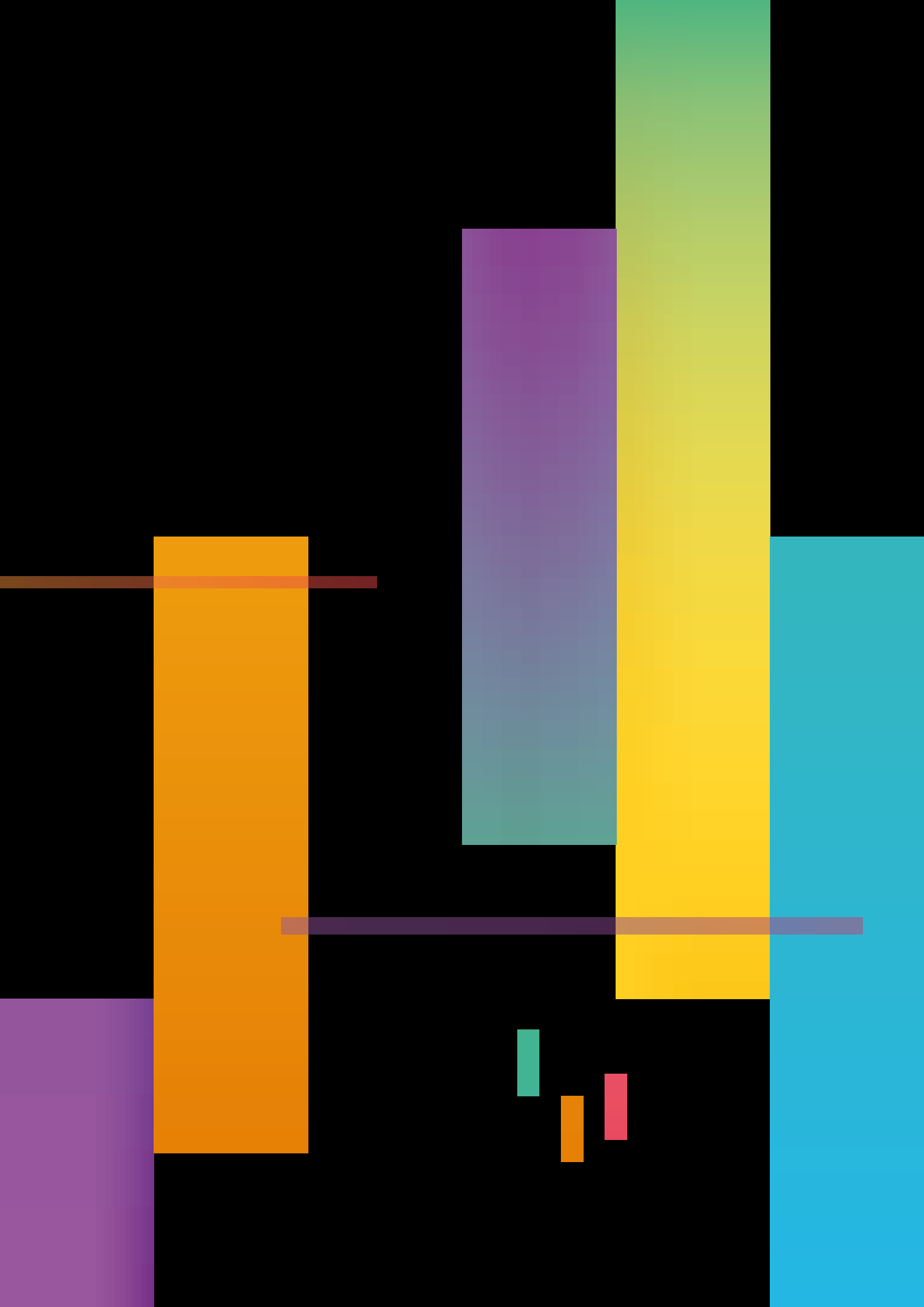
### 35. Department for Education – Teacher Training Bursaries

<b>Group and University</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
At 1 August	<b>(5)</b>	89
Funds received in the year	<b>1,126</b>	725
Disbursed to students	<b>(1,112)</b>	(819)
<b>At 31 July 2023</b>	<b>9</b>	<b>(5)</b>

The Department for Education (DfE) training bursaries are a financial incentive to attract and retain high quality graduates into the teaching profession.


The funding received as detailed in this note is available solely for disbursement to students; the University acts only as a paying agent. All of the funding and related disbursements are therefore excluded from the statement of comprehensive income and the balance of the funding is included in note 20, other payables due within one year.





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