The background of the cover is a grid of teal-tinted window panes. Overlaid on this grid are several thin, yellow, wavy lines that flow from the top right towards the center. A solid red shape is visible in the top left corner.

STRATEGIC REPORT AND FINANCIAL STATEMENTS 2018–19

University of
Hertfordshire **UH**



Contents

Introduction by the Chair of the Board of Governors and Pro Chancellor	4
Introduction by the Vice-Chancellor and Chief Executive	5
Year at a glance	6
Strategic Report	8
Putting our students at the core of our decision making	10
Creating Go Herts moments in sport	14
Research that can change lives	16
Making a difference in the business community	18
Transforming education overseas	22
Enabling participation within the community	24
Investing in our people	28
Maximising the impact and sustainability of our estate	32
Enhancing the digital experience	34
Financial Review and Risks 2018–19	36
Risks	42
Student numbers	44
Statement of Corporate Governance	46
Statement of Internal Control	50
Responsibilities of the Board of Governors	52
Auditor's Report	54
Financial Statements	56
Consolidated and University Statement of Comprehensive Income	58
Consolidated and University Statement of Changes in Reserves	59
Consolidated and University Balance Sheets	60
Consolidated Cash Flow Statement	61
Statement of principal accounting policies	62
Notes to the accounts	69
Governors and advisers	105
Officers appointed by the Board	106

Introduction

by the Chair of the Board of Governors and Pro Chancellor

I feel incredibly privileged to have become the Chair of the Board of Governors this year. Since I joined the Board in 2018, I have thoroughly enjoyed getting to know the University's staff and students better and seeing our values – friendly, ambitious, collegiate, enterprising and student-focused – in action everywhere.

I would like to extend my thanks to the other members of the Board and the University Executive for making me feel welcome. In particular, I would like to praise my predecessor, Richard Beazley, who over the past five years has done a tremendous job as Chair. During his time, the University continued its phenomenal physical transformation with the expansion of our estate, and strengthened its relationship with the community by supporting local businesses. It also continued to provide exceptional levels of teaching and research – as reflected in our Teaching Excellence and Student Outcomes Framework (TEF) Gold award for teaching and our recent high ranking for the Postgraduate Research Experience Survey (PRES).

All of these accolades and more have been achieved while remaining financially secure, despite the many challenges we – and other British universities – face. There are, of course, hurdles ahead, such as the continuing uncertainty over Brexit and the effect that may have on our international academics and students. However, I am confident we have the right leadership structure and risk-management processes in place to deal with any outcome.

During my short time as Chair, I have been so impressed by the energy and commitment of our staff and students. Their talents and passion are evident across every School and department. I look forward to supporting them in every way possible.

Finally, I would like to thank the Board for all its hard work this year. The Governors have shown great commitment and I know each of them cares deeply about this wonderful university. I look forward to playing my part in contributing to an even brighter future.

Dr Lynn Drummond

Chair, Board of Governors and Pro Chancellor



“ I look forward to supporting all our staff and students ”

Introduction

by the Vice-Chancellor and Chief Executive

Welcome to our latest Strategic Report. It has been another marvellous and newsworthy year at the University of Hertfordshire. We are particularly proud that we have been shortlisted for three Times Higher Education Awards: Outstanding Contribution to the Local Community, Entrepreneurial University of the Year and Business School of the Year.

These nominations reflect our commitment to making a real difference in and around the county, and helping local businesses overcome the many challenges they face through working partnerships and access to expertise, research and world-class facilities.

One way that we are supporting businesses is through our Degree Apprenticeships, which see us working with large employers such as the NHS, TUI and MBDA to offer bespoke, university-level qualifications to employees. This year we have almost tripled the number of Degree Apprenticeship students that we support and we have recently been ranked among the best providers in the country.

It is not just major employers that we are supporting. Over the past few months work has started on a new business incubation facility, generously funded by the Hertfordshire Local Enterprise Partnership (LEP), which will support local up-and-coming companies and also provide additional teaching and social space.

A key component of all our courses is providing students with work experience and employability skills that not only make them attractive to leading employers, but also encourage them to get their own business ideas off the ground. I am sure we will see some of them go on to use these new facilities in the future.

As you may know, our teaching is of the very highest standard – reflected by our Gold rating in the TEF and an employment or further study rate of 96.5%. I would like to thank all staff for their efforts in continually enhancing the teaching and learning experience and maintaining Hertfordshire as a vibrant, stimulating and innovative place to study.

Throughout the year, we've continued to listen to student feedback and made further investments in improving the learning environment. Key examples include greater Wi-Fi coverage and the introduction of a new Virtual Learning Environment, so that students can access notes, recorded lessons and other study aids whenever they want.

It is not just our teaching that is celebrated. We are proud of our growing research reputation and in this report we will feature some of the groundbreaking work going on – from helping women with dementia to supporting the emergency services in the event of a disaster.

Our postgraduate research degree programmes have gone from strength to strength over the past 12 months, with Hertfordshire being ranked 21st out of 103 universities for student satisfaction and first for offering professional doctorates.

Away from the classroom, I have been thrilled with our sporting achievements. We have had our best results ever, reaching 43rd in the British Universities and Colleges Sport rankings, with title wins in many sports including basketball, futsal and table tennis. Well done in particular to the women's netball team, which became the first ever University of Hertfordshire team to retain the league title.

Finally, I would like to extend my thanks to all staff, governors and students across the University, who make Hertfordshire the truly special place that it is. I look forward to sharing another successful 12 months with all of you. Go Herts!

Professor Quintin McKellar CBE
Vice-Chancellor and Chief Executive



“ It has been another marvellous and newsworthy year at the University ”

Year at a glance

AUGUST 2018

Our Hertfordshire Sports Partnership has provided more than £4,000 funding to assist initiatives across Hertfordshire and encourage more female participation in sport.



SEPTEMBER 2018

4,092 graduates attended our September ceremonies at the Cathedral and Abbey Church of Saint Alban to celebrate their success.

DECEMBER 2018

Building work begins on the new Enterprise Hub. The three storey building will provide learning, social and business facilities at the heart of the de Havilland Campus.



MARCH 2019

We are working closely with the Hertfordshire Partnership University NHS Foundation Trust to enhance our mental health and wellbeing services for our students.



JUNE 2019

Our successful Formula Student team unveils its competition car ahead of the 2019 series of races.



MAY 2019

Dr Laura Abbott named one of the Nation's Lifesavers whose work is saving lives and making a life-changing difference to public health and wellbeing.

OCTOBER 2018

Flare, the University's competition was held to help students and alumni launch new businesses or come up with an innovative idea.



NOVEMBER 2018

Dr Theo Gilbert won the Most innovative Teacher of the Year award at the Times Higher Education (THE) 2018 awards.



JANUARY 2019

Through a joint project we are researching the benefits and constraints of physical activity-based programmes for older women suffering with dementia.



FEBRUARY 2019

Inspirational Air Transport Auxiliary female pilots who transported aircraft during WWII honoured during Tigermoth bus brand launch.



APRIL 2019

We welcomed 400 year-five pupils from local primary schools for the Big STEAM event to promote the relationship between science and the arts.



JULY 2019

Investment to help fund University research into childhood obesity.



Strategic Report and Financial Statements 2018-19

Strategic Report

Strategic Report

The University of Hertfordshire is an innovative, enterprising university, focused on transforming our students' lives through excellent teaching informed by research, business and the professions. Part of the University's role is to drive economic growth through cutting-edge research, creative and innovative thinking, skills development, bespoke training and facilities that help businesses achieve their potential. Our core values are to be friendly, ambitious, collegiate, enterprising and student-focused. These values underpin all our activities.

The University started life in 1952 as Hatfield Technical College and grew to become one of the first three polytechnics in the country. We achieved university status in 1992. In the last 10 years we have invested more than £400m in our award-winning estate, ensuring our students and wider community benefit from some of the best teaching, learning and living facilities in the country.

We have more than 24,000 students studying over 550 undergraduate, postgraduate and research degrees. Of those students 3,700 are international students from outside the European Union, with a further 850 from EU countries. We also have more than 6,500 students taking courses outside the UK through international partnerships and franchise arrangements.

Teaching at the University is delivered across nine academic Schools: Creative Arts, Education, Engineering and Computer Science, Health and Social Work, Hertfordshire Business School, Hertfordshire Law School, Humanities, Life and Medical Sciences and Physics, Astronomy and Mathematics.

Our groundbreaking research aims to benefit people in the UK and across the world by addressing some of the key global

issues of our time. These are reflected in our six research themes: food, space, global economy, health and wellbeing, information and security, and heritage, cultures and communities.

With some 2,698 (full-time equivalent) staff and a turnover of more than £271m, the University is one of the region's largest employers. A significant part of our income is earned through research, consultancy and business service activities.

The Vice-Chancellor, as Chief Executive and Academic Head of the University, is responsible to the Board of Governors for the organisation, direction and management of the University.

The Chief Executive's Group comprises the Deputy Vice-Chancellor; Secretary and Registrar; and Group Finance Director, all appointed by the Board, along with our three Pro Vice-Chancellors; Deans of the nine academic Schools; Director of Marketing and Communications; Director of Human Resources; Director of Estates; Chief Information Officer; Academic Registrar and the Dean of Students.

The Group is responsible for the day-to-day management and leadership of the University. Full details of our corporate structure are in the Statement of Corporate Governance on page 46.

Including our Schools of Study the University has 18 Strategic Business Units (SBUs) that work closely to deliver services to our key audiences. The leaders of these SBUs sit with the Chief Executive Group.

The higher education sector is currently in a state of uncertainty. With a declining population of 18-year-olds in the UK, an uncertain political landscape and changes to the governance of the sector, there are many challenges facing universities.

Negotiating this turbulent period is difficult for the sector and the University. However, through the implementation of our strategy, our corporate governance and operating practices, we have been able to create a commercially sustainable and forward-thinking learning environment that is prepared for the future.

This report highlights our activities and achievements over the past 12 months allowing us to look forward and continue to demonstrate the excellent progress we have made in the following priority areas.

- Putting our students at the core of our decision making.
- Creating Go Herts moments in sport.
- Research that can change lives.
- Making a difference in the business community.
- Transforming education overseas.
- Enabling participation within the community.
- Investing in our people.
- Maximising the impact and sustainability of our estate.
- Enhancing the digital experience.

These sections align to the seven strands of our 2020 strategic plan (people, community, research, business, education, sustainability and international).

“ During 2019 we have undertaken extensive consultation with regard to the Strategic Plan for the University through to 2025. Looking forward, the University will work to 'Transform the Lives' of our students and will do so offering opportunity in a flexible way to all our communities. ”

Professor Quintin McKellar CBE
Vice-Chancellor and Chief Executive

Putting our students at the core of our decision making

The teaching and expertise we give our students is, and always will be, our top priority. We ensure everything we do helps prepare our students for life after graduation and that they have a great university experience while studying with us.

This includes working closely with industry professionals to maintain exceptional and relevant teaching that reflects contemporary industry practices and incorporates the latest research.

As a result of our commitment, we continue to celebrate the success of being ranked Gold in the Government's 2018 TEF award. The TEF judging panel highlighted our commitment and success in work-based learning, entrepreneurship and enterprise.

Following on from this success, we were named as a 'notable climber' in the Complete University Guide 2020, rising 12 places (from 86th to 74th) in a year. We were commended for our students' excellent progression rates to employment and our investment in improving the student experience and facilities.

The guide also ranked subjects Food Science, Social Work, Optometry, Ophthalmology and Orthoptics, and Medical Technology in the top 20 in the UK.

We continue to prove ourselves as a business-facing university, ranking fourth in the Guardian's University Guide 2020 for Economics with a fantastic 97% in student satisfaction in the National Student Survey (NSS).

Student satisfaction

Across the sector, students are continually demanding more value for money from their higher education provider. In the 2019 NSS we scored 82% in overall student satisfaction, with over 87% agreeing that learning resources, opportunities and teaching were good. We are also ahead of the sector for learning resources, learning community and student voice.

The results highlighted success stories throughout the institution, with courses including BSc (Hons) Pharmaceutical Science, BA (Hons) International Business, BA (Hons) Human Resource Management and BSc (Hons) Nursing (Child), achieving 100% overall satisfaction.

While there were things to celebrate, the results also highlighted key areas where we need to improve. It is crucial we respond proactively in these areas so we can continue to make decisions that benefit our students and enhance their experience, both during and after their studies.

As a result of the NSS findings, we have taken proactive steps to address the issues raised by our students. These include reviewing how our timetables are composed to ensure they work in practice for students, and developing a new academic support framework, alongside a data dashboard, that will enable students to discuss their engagement with academic tutors and develop plans for success.

96.5% of our students are in work or further study six months after graduating.

(DHLE, 2018)

“ Our global ranking results are excellent, displaying further progress from the very good results obtained in the last PRES we entered in 2017. In particular, our overall global ranking of 21st out of 103 is outstanding, and then it gets better with the research culture being ranked at fourth. I am delighted that our research students very much value the overall support and also commend the research culture at the University as we continue our focus on providing an outstanding student experience. ”

Professor John Senior

Pro Vice-Chancellor
(Research and Enterprise)
University of Hertfordshire

21st

in the Postgraduate Research Experience Survey (PRES) 2019 for overall student satisfaction

4th

in the Guardian's University Guide 2020 for Economics



Our postgraduate research degree programmes have gone from strength to strength over the past 12 months, with the University ranked 21st in the Postgraduate Research Experience Survey (PRES) 2019 for overall student satisfaction and seventh globally for our flexible approach to learning. The latter demonstrates how well our students can balance their studies with other responsibilities.

Focusing on supervision, resources, research culture, progress and assessment, and skills and professional development, PRES is the only UK higher education sector-wide survey that gains insight from

postgraduate research students. The 2019 results are based on 103 institutions with over 50,000 respondents and saw the University ranking in the top quarter for seven out of eight of the questions. We were also ranked first for professional doctorate research culture.

Our individual research degree programmes also performed well, with Business and Economics ranking first out of 47 institutions for overall satisfaction, and Education ranking first out of 32 for research culture and first out of 33 for research skills.

Working in partnership

Collaboration between staff and students has been a prominent theme throughout our year.

As part of our Annual Learning and Teaching Conference, we focused on creating a collaborative community engaged in conversations to enable joint working. The conference drew more than 300 staff and students from across the University.

Strategic Report and Financial Statements 2018-19

Putting our students at the core of our decision making

“ Mentors provide a valuable insight that challenges staff preconceptions of what students need or should be doing. Their professionalism in doing this is impressive. ”

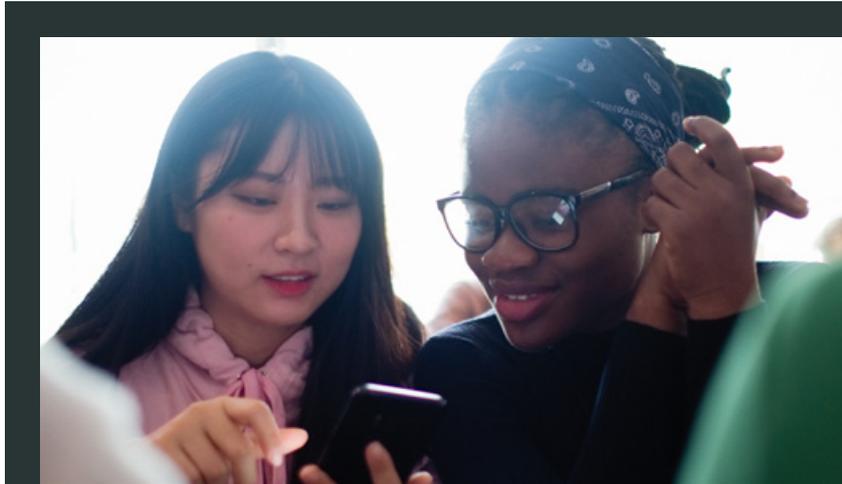
Academic staff member
School of Engineering and
Computer Science
University of Hertfordshire

Delegates enjoyed a wide range of sessions in different formats, from drama to virtual reality, poster viewing to game playing and three-minute pitches. Students co-hosted and co-presented many of the 50-plus strands across the day, underlining the importance and impact of effective joint working.

We provide students with many opportunities to gain real-world learning from our industry-experienced staff. They also have the chance to earn money while contributing to our workplace through schemes such as the student ambassador programme and by working as casual staff.

Students have also played a vital role in rolling out our new Virtual Learning Environment over the past two years. Around 20 students were employed as student mentors to support staff and fellow students in learning how to use the new system. They also played a crucial role in setting up module sites and online reading lists.

The work of the student mentors was one of the most highly rated aspects of the support provided to staff; and the students who worked as mentors valued their experience and opportunity. Students stated that it helped them gain valuable experience and go on to secure highly skilled employment.



The BAME Careers Event (Building Aspirations Meeting Expectations)

An idea devised by some of our BAME advocates and supported by the School of Humanities, Hertfordshire Business School, the Student Success Team in Learning and Teaching Innovation Centre and Careers and Employment.

Three alumni speakers and a host of employers from BAME backgrounds attended and delivered workshop sessions, including one of our governors, Dawid Konotey-Ahulu. There were over 120 attendees on the day.

“ Amazing event! It helped me really feel like the University cares about its minority students. I am currently on my way to The London Book Fair in hopes of networking and getting my foot in the door of the publishing industry. This event has given me the confidence to speak to different potential employers. It was a flawless event from start to finish and I cannot wait to attend many more like it. It made me proud to be a black female student at the University of Hertfordshire. ”

Attendee of event

Some of our mentors also co-presented alongside staff at two academic conferences this year, talking about the work they had done and demonstrating the professional experiences the programme offers students.

“ The student mentors have been integral to the success of the implementation of the new Virtual Learning Environment. We could not have achieved the required levels of intensive staff support without this team. ”

Lucy Bamwo and Samantha Clarkson
StudyNet Training Coordinators
School of Engineering and
Computer Science
University of Hertfordshire

We were named as a 'notable climber' in the Complete University Guide 2020

1st

in the PRES for Research Culture in the education discipline and for our professional doctorates



Students in the Hutton Hub, College Lane Campus

Creating Go Herts moments in sport

The University offers a diverse sports programme, exceptional facilities and first-class sporting partnerships.

As well as aiming to attract and cultivate elite talent, we also offer sport and physical activity to all students, staff and people in the wider community, regardless of ability.

Our fantastic, passionate coaches and experts ensure all athletes who study with us can succeed both athletically and academically.

This year, we had our most successful sporting year in our history.

We won several leagues across both Athletic Union and Performance Sports and the Netball 1st team made University of Hertfordshire history by becoming the first team to retain a British Universities and Colleges Sport (BUCS) National Championship title.

In other areas, we have increased participation in our sporting teams and wider physical activities. We currently have 1,122 Athletic Union members, 3,490 Active Students participants and 734 Campus Sport participants. We have enjoyed tremendous success in various BUCS leagues, raising our league ranking to 43rd. Across the board we have shown significant growth in sports compared to previous years. These achievements demonstrate our focus, tenacity and determination to succeed.

As a University we are thrilled to have the opportunity to work with a host of outstanding and high-profile sports clubs and organisations, including:

- Saracens Mavericks Netball Franchise
- Arsenal Women FC
- Hemel Storm Basketball Club
- Oaklands Wolves Basketball Club
- London Helvecia Futsal Club

We recognise and value the contribution and positive impact working with our partner clubs has on the success of our respective performance programmes. They support our ability to meet our strategic targets while giving our athletes the best opportunities and bringing new students to the University.

Celebrating back-to-back championship wins in netball

Our partnership with Saracens' Mavericks this year has been a great success. The University now facilitates the Mavericks' training on campus, which has been invaluable for our own netball team. The team has become a formidable force, competing in the Superleague and winning back-to-back championships.

The last year saw the University strengthen and consolidate its profile as a sport-focused institution and we are committed to continually improving our teaching, research and facilities in this area. To remain competitive and renowned, it is crucial that we provide a world-class sporting environment that both nurtures and incubates exceptional talent.

Our intention going forward is to continually prioritise and enhance our sports programmes so we can consistently develop world-class athletic talent and transform lives. This will advance the University's reputation but also make a tangible impact in sport, both nationally and globally. It is our commitment to growing the University's sporting profile that has contributed to our continued success this year.

Increasing female leadership in sport

Increasing female leadership in sport is the most urgent issue that needs to be addressed to reduce inequality and encourage participation – says global research by our academics.

The research also examined the lack of women in decision-making positions and the lack of female coaches and instructors.

We are taking proactive measures to ensure we implement necessary changes and improve the quality of women's sport throughout our programmes.

We have a strong track record of supporting women to succeed in their sporting careers and helping females to participate in sporting activity. The Herts Sports and Physical Activity Partnership, known as HSP, is part of the University and hosts the annual This Girl Can in Herts Week.

This year HSP has provided more than £4,000 funding to assist initiatives across Hertfordshire and encourage more female participation in sport. These projects appear among over 500 other activities that will invite more than 3,000 women to get active.

HSP has a dedicated women and girls project officer, whose remit is to work with key partners to promote sport and physical activity to all females across the county.



Netball 1st team

Individual achievements

Peter Linksted (Aerospace Engineering) secured a silver medal at the BUCS National Canoe Slalom Championships.

Lucy Thomas (Sports Therapy), Evie Clarke (Sport Studies) and Molly Chambers (Sport Studies) were all selected for the English Universities women’s football squad.

Team achievements

Men’s Basketball 1st, Men’s Futsal 1st, Men’s Futsal 2nd, Men’s Lacrosse 1st, Netball 1st, Netball 3rd and Men’s Table Tennis 1st were all BUCS League Champions in 2018-19.

Netball 1st team made University of Hertfordshire history by becoming the first team to retain a BUCS National Championship title.

Our American Football team made the BUCS National Championship final.

The Men’s Ultimate Frisbee Team made the BUCS Conference Cup final.

Men’s Table Tennis 1st won their BUCS league unbeaten.

3,490

Active Students participants, 1,122 Athletic Union members and 734 Campus Sport participants

Over 500

activities that will invite more than 3,000 women to get active

Research that can change lives

Celebrating our success

University work into decontamination techniques following chemical attacks was this year named one of the UK's best research breakthroughs. Professor Rob Chilcott, Head of Toxicology, was honoured for his team's pioneering work into studying the science of decontamination processes and translating the evidence into clear, life-saving policy guidance for emergency services. The nomination featured in the Best Breakthroughs List: 100+ Ways Universities Have Improved Everyday Life, launched by Universities UK (UUK).

Dr Laura Abbott, from the School of Health and Social Work, was also honoured in a separate UUK campaign, MadeAtUni, which brings to life the impact of universities on everyday lives. She was named one of the Nation's Lifesavers – the top 100 individuals or groups based in universities whose work is saving lives and making a life-changing difference to public health and wellbeing. Dr Abbott is a champion for improving maternity care for pregnant women in prison and helped to write the Birth Charter for Women in Prison in England and Wales, which has been referenced in the Ministry of Justice's Women's Policy Framework.

Healthy partnerships

The University is also improving women's health through our partnership with Juntendo University, Japan. The joint project, which the Economic and Social Research Council has awarded £36k, is researching the benefits and constraints of physical activity-based programmes for older women, particularly those living with dementia. The project sees researchers work together with fitness clubs, both in the UK and Japan, to offer bespoke physical activity sessions for older women and with sports organisations to offer reminiscence projects for those with dementia.

As well as our international ties, we also recognise the important role we play locally, which is why we are committed to helping the communities across the region with the greatest health challenges. As part of the National Institute for Health Research (NIHR) Applied Research Collaborations (ARC) East of England, our research is contributing to an improvement in care in areas such as ageing, mental health and dementia.

This year, the government announced investment in the project, which will help fund university research into childhood obesity rates and the development of a strategy to help people maintain long-term healthy weights.

“ I am delighted that the NIHR Applied Research Collaboration East of England partnership has secured funding to take forward its research programmes for the benefit of specific communities in the region. In particular, the University will continue to play a very active role by leading three of the themes. ”

Professor John Senior

Pro Vice-Chancellor
University of Hertfordshire and
ARC Board member

Magical moments

We are proud that our research encompasses such a wide variety of themes, from the health of our nation to the beliefs we hold and history we share. This was shown again in the last year through our participation in one of the largest exhibitions on the history of magic - the Inner Lives Spellbound exhibition at the Ashmolean Museum in Oxford. Co-curated by Owen Davies, Professor of Social History at the University, Spellbound was opened by the well-known novelist Philip Pullman and allowed visitors to explore the history of magic over eight centuries. They also got to view fascinating objects that demonstrated how our ancestors used magical thinking to cope with the world they lived in. These ranged from a unicorn's horn and a human heart encased in lead, to medieval books of ritual magic and deeply moving confessions of women accused of witchcraft.

£4.8m

Ceres Agritech innovation project to unlock £15.0m in industry investment in East of England

Professor Rob Chilcott won the Research Project of the Year: STEM category at the Times Higher Education Awards 2018



Smart Mobility Unit

Aligning to our response to the Government's Industrial Strategy the University of Hertfordshire is the only UK university to own and run a fully operational bus company, Uno.

The company uses smart ticketing, established and modelled by the University, and its fleet of 130 buses operating over 40 routes throughout Hertfordshire acts as a moving laboratory and demonstrator for the University's transport research projects.

The launch in 2018 of the University's Smart Mobility Unit builds on this expertise and brings together academics from the University's Business School, School of Engineering and Computer Science, departments of Geography, Psychology, and the University's professional services.

The Unit is working with local authorities and public transport operators to apply practical solutions and data-driven innovations that benefit both the University and its wider community. Its research interests encompass travel planning and transport related behaviour change, intelligent transport systems including biometrics, mobile ticketing and automatic number plate recognition (ANPR), big data and spatial mapping.

Future areas of growth include the University becoming involved in the oneTRANSPORT big data project, which will open up access to previously 'hidden' data about transport systems in UK towns, and development of an IT platform that allows businesses to find, manage and analyse their employees' travel.

Making a difference in the business community

At the University of Hertfordshire, we are committed to supporting business through the application and availability of our facilities, knowledge and expertise, all backed by our world-leading research.

Industrial Strategy

The University is dedicated to meeting the Grand Challenges set out in the Government's Industrial Strategy white paper. Working in collaboration with other organisations, we use our creative and professional approach to research to address these challenges, which include artificial intelligence and data, clean growth, an ageing society and the future of mobility.

We recently published our response, outlining how we are delivering the white paper. This ranged from our Smart Mobility Unit, which brings together interdisciplinary research and professional services to apply practical solutions and innovations in transport to our work on understanding food value chains: the network of stakeholders involved in growing, processing, selling and consuming the food we eat.

Breaking new ground

The University works with a range of stakeholders in order to meet the challenges of the Government's Industrial Strategy. This year, we conducted a joint business survey with the Hertfordshire Local Enterprise Partnership (LEP), to

understand the key drivers to productivity and performance. The findings will be published in a report to support the development of a Local Industrial Strategy for Hertfordshire and help set the economic priorities for the county.

Our collaboration with the LEP extends to a number of critical areas that benefit both the University and the local business community. This includes the LEP awarding us a £165k Local Growth Fund grant for the launch of a new state-of-the-art Nursing Simulation Laboratory and Ward. This will enhance teaching provision in response to a growing demand for Nursing Associate and Degree Apprenticeships programmes.

Further to this, the LEP has invested £2.5m from the Local Growth Fund towards the construction of the Enterprise Hub which will provide learning, social and business incubation facilities at the heart of the University's de Havilland Campus.

This new space, due to open in early 2020, will provide social areas where entrepreneurial students can mix with business professionals, helping them to create networks that will allow their businesses to succeed, as well as giving professionals a chance to tap into new business talent.

“ Small enterprises form the backbone of Hertfordshire's business community. Our £2.5m funding towards the construction of a new Enterprise Hub is an investment in their future growth and prosperity, giving start-ups access to a world-class University with a reputation for championing entrepreneurship. ”

Adrian Hawkins
Deputy Chair
Hertfordshire LEP

Hertfordshire Growth Hub

The University's relationship with the LEP was further strengthened in the past year when, together with our wholly owned subsidiary, Exemplas, and the Hertfordshire Chamber of Commerce, were awarded a two-year contract to be the delivery partners for the Hertfordshire Growth Hub.

The Growth Hub is the county's free and impartial business support service funded by the LEP and Government. Since its launch in 2014, it has provided expert advice to over 1,700 local small and medium-sized enterprises to help accelerate their growth.

£2.5m

has been invested by the LEP from the Local Growth Fund towards the construction of the new Enterprise Hub

14th

RateMyApprenticeships included us in their list of the top 50 training providers

Enterprise Hub timeline

February 2018

The University commissions a feasibility study for a new social space on the de Havilland Campus.

December 2018

Building work begins after breaking ground.

June 2019

The Topping out ceremony marks the construction milestone for the Enterprise Hub.

Early 2020

The official opening of the building.



Topping out ceremony of the Enterprise Hub

“ The University is committed to giving local businesses the best advice and support to be entrepreneurial and we are therefore delighted to be working with our consortium partners to deliver the Hertfordshire Growth Hub. The Growth Hub has already had a big impact and we look forward to working with Exemplas, supporting the continued development of businesses across Hertfordshire and beyond. ”

Julie Newlan
Pro Vice-Chancellor (Business and International Development)
University of Hertfordshire

Knowledge Transfer Partnerships

Our commitment to supporting business has been further demonstrated by our dedication to the Knowledge Transfer Partnership programme (KTP). KTPs aim to help businesses improve their competitiveness and productivity through the better use of insight, technology and skills that reside within the UK knowledge base. KTPs also form part of the Government’s Industrial Strategy.

In the past year, we have completed a KTP with RGH Rubber, a manufacturer, convertor and distributor of foam and tape technologies. Through the KTP, RGH was able to take advantage of the administrative expertise of our Business Development Team; our research and teaching knowledge through Xiaojing Zhu, a Hertfordshire graduate and the KTP Associate; and our excellent facilities that enabled Xiaojing to conduct work that otherwise would not have been possible for the company.

The KTP has had a transformative effect on RGH’s internal processes, enabling staff at the business to adopt an evidence-based approach to their work.

“ The [KTP] has made us innovators in the space – I don’t know any other converters that have the kind of technology or laboratory that we do. ”

Bob Hildrow
Managing Director
RGH Rubber

The success of the University’s partnership was further recognised at the Knowledge Transfer Network’s ‘Best of the Best’ Awards, which aim to shine a spotlight on the KTP projects that have delivered above and beyond expectation, with Xiaojing winning the ‘Future Innovator’ award.

Strategic Report and Financial Statements 2018-19

Making a difference in the business community

Leading the way with Degree Apprenticeships

The University's work on Degree Apprenticeships has also been acknowledged this year by the national awards RateMyApprenticeship.

We were recognised in July 2019 in the Top 50 training providers, ranking 14th.

The Best Training Provider category celebrates the institutions who 'go above and beyond in their delivery of apprenticeship qualifications.' This ranking recognises the excellent and diverse apprenticeships the University offers alongside companies such as TUI, MBDA, Vauxhall and the NHS among others, and demonstrates the positive impact these partnerships are having on students.

“ We're delighted to be working with TUI to help them invest in their people, attract new talent and boost innovation within the travel industry. As a result of this partnership, apprentices will be able to access high-quality teaching and develop the knowledge, skills and attributes fundamental to succeeding in a global business environment. ”

Julie Newlan

Pro Vice-Chancellor (Business and International Development)
University of Hertfordshire



Flare 2018 finalists Ollie Vagg and Sam Marchant

access to workshops, practical advice from University staff and networking opportunities. They sit alongside, and share best practice with, our students and graduates; there are 20 dedicated work spaces for student and graduate start-ups. Around 60 new graduate businesses are supported each year and in 2017-18 five per cent of our leavers identified as self-employed.

The University also runs a business start-up challenge award, Flare, which offers student entrepreneurs the support, advice and training they need in areas like proposal writing, planning, finance and marketing, and the opportunity to win up to £8,000. With more than 100 entrants each year, Flare has awarded more than £200,000 to student start-ups since it started in 2005.

Department for International Trade – inspiring businesses to seize the growth that exporting can bring

Exemplas, part of the University Group is a key supplier for the Department for International Trade, delivering services to SMEs in the East of England and Yorkshire looking to start, grow and sustain exports overseas. The statistics speak for themselves, with over £1.598bn secured in export wins for clients in the last year.

Business Incubator: creating entrepreneurs through our community of practice

The University has opened its doors to external start-ups through its Business Incubator. Companies trading for less than 12 months are eligible to apply to become members, gaining access to hundreds of our academic experts and their evolving research, seminars, mentors and marketing support.

By offering businesses a unique ecosystem of resources, inspiration and collaboration opportunities, the University has created a community of practice designed to connect innovative entrepreneurs, who can feed off each other's ideas and expertise to drive their own ventures forward. Members can make use of a dynamic open-working environment and have direct



Transforming education overseas

We are committed to creating a truly global learning environment and paving the way in international learning through research and partnerships. As a leading business-facing institution, we believe that encouraging our students to learn and compete on a global level is crucial to their success upon graduation. Through our international activities, we aim to strengthen our position as the university of choice for international students.

Bringing institutions together

Throughout the past year, we continued to grow our partnerships with overseas institutions to expand the aspirations of students across the world and enable them to develop skills to compete in national and international job markets.

In October 2018 we became the first UK university to partner with a local education provider to deliver a degree-level course in Indonesia. Students at Raffles College can now study a Level 6 (BA) Hons Business Administration degree.

This partnership gives students the opportunity to experience the same quality in course delivery locally as in the UK, expanding their knowledge to a global business environment.

The collaboration is also supported by PT Star Pendidikan Lestari, a joint venture company between the shareholders of Star Education Group (owners of leading private education institutions including PSB Academy in Singapore) and PT Budhi Lestari (one of the leading education management and consulting groups in Indonesia).

In March we signed a progression agreement with the College of the North Atlantic - Qatar (CNA-Q), enabling their graduates to earn a Bachelor's degree in the UK. This agreement includes pathways for three of the college's academic schools, leading to nine different degrees in the Hertfordshire Business School and the School of Engineering and Computer Science at the University.

We also launched a new scholarship for each CNA-Q student who enrolls, covering 15% of the first year's tuition in the UK. The collaboration will enable students to increase their technical abilities by achieving a baccalaureate degree in their field of specialism.

“ Our mandate at CNA-Q is to provide internationally recognised technical and vocational education and training in partnership with employers for Qatar's evolving economy... We are so pleased that the University of Hertfordshire is extending generous scholarships for our students. This is a true testament to [the] strong partnerships formed [and] their confidence in our students. ”

Ms Samah Gamar

College of the North Atlantic - Qatar
Vice-President, Academic

Creative Arts graduate wins prestigious student Oscar

In October 2018, Mart Bira, who graduated from the University with a Master's in Film and TV Production, won a Gold Medal Student Academy Award from The Academy of Motion Picture Arts and Sciences in Beverly Hills. She won the Documentary (International Film Schools) category with her entry, *Nomadic Doctor*, beating all film schools from outside the United States.





Formula Student team

Formula Student goes international

UH Racing, the University's Formula Student team and one of the most successful teams in the UK, is now also competing in international Formula Student events.

The team, made up of 20 Engineering and Motorsport students from the University's School of Engineering and Computer Science, will compete in events in The Netherlands and Italy. Formula Student is Europe's most established educational engineering competition and aims to develop enterprising and innovative young engineers, encouraging them to take up careers in the field.

The project forms part of the students' degree and offers hands-on experience in the lab, as well as the opportunity to develop global industry contacts.

Enabling participation within the community

We are one of the largest employers in the region, playing a vital role in the local community, inspiring young minds and helping support local charities.

As an institution, we are committed to working with schools and encouraging our staff and students to engage within the community. This year, 12 of our staff at the University were recruited by local schools to become school governors allowing them to use their expertise and experience to benefit schools and colleges. These staff are supported by a flourishing network of more than 60 colleagues from across the University who are already serving Governors within the community. The University recently launched a Governors' Forum to enable the sharing of ideas, stories and experience from the governor network.

Inspiring the next generation

This year we worked on numerous widening participation projects within the local community to help raise aspirations and attainment in school students across Hertfordshire. These events provided great learning opportunities and encouraged pupils to expand their horizons to consider careers in industries they would not typically see themselves in.

As an institution, we understand the importance of ensuring effective pathways to careers, such as science, teaching and engineering, for the future enrichment of the nation's economy.

In April, we welcomed 400 year-five pupils from local primary schools onto campus for the Big STEAM. The event, run by the School of Education and UHArts, was designed to promote the relationship between science and the arts, showcasing a new collaborative way of learning.

We worked with artist Ben Twiston and final-year Bachelor of Education students to explore the links between the human body, engineering and science through the use of origami and interactive drama sessions.

In June, pupils from all over the East of England received awards in a national engineering competition, the Leaders Award, run by the organisation Primary Engineer. The competition asks pupils to interview engineers, identify a problem and design a solution to it. 48,000 pupils entered the competition in what has been described as the largest classroom-based engineering-inspired activity the country has seen.

Pupils as young as three took part, and contrary to popular belief that engineering is struggling to attract females, this competition boasted a 50/50 gender split - demonstrating the impact engagement activities like these have.

This year, we also hosted our first Primary Open Afternoon. The aim of the day was to inspire young students with the possibilities of education and where it can take you. We invited 300 primary school students from the area to experience what university life is like. Staff from four academic Schools within the University worked together to deliver a fun-filled day for students, which included age-appropriate taster sessions, virtual reality games, subject-specific talks with current students, games and a mock graduation ceremony. The event received a lot of positive reviews from those who attended and plans for next year are already in motion.

“ We received wonderful feedback from the primary schools who attended and even got invited to deliver an assembly to the whole school from one local primary school! ”

Nick Howell

Widening Access Manager
University of Hertfordshire

“ The University is incredibly supportive of its staff, especially in relation to the flexibility they offer those who volunteer in the community. Being able to give back to local education by using the skills I have developed whilst in Higher Education is incredibly rewarding and I thank the University for being so flexible around my governor commitments. ”

Brad Johnson

School Governor, Ralph Sadleir School
and University employee



Pupils from local primary schools during the Big STEAM event



Commemorating the inspirational women of the ATA at the launch of the new bus brand Tigermoth



The first eight women who joined the Air Transport Auxiliary in 1940

Inspirational ATA female pilots honoured

University-owned, Hatfield-based bus company Uno commemorated the inspirational women of the Air Transport Auxiliary at the launch of its new bus brand Tigermoth.

Each of the eight buses, branded Tigermoth after the de Havilland biplanes manufactured at Hatfield aerodrome, celebrates the first eight women who joined the Air Transport Auxiliary in 1940. The women broke into the all-male world of military flying, a moment now seen as an important chapter in both aviation and women's history.

“ We're delighted to be able to honour these amazing women and help share their story as widely as we can. All our teams are so passionate about celebrating our local heritage and to be able to display this incredible part of our history on our buses is something we're all very proud of. ”

Jim Thorpe

Managing Director
Uno

400

year-five pupils from local primary schools were welcomed onto campus for the Big STEAM

72

staff across the University are school governors

Strategic Report and Financial Statements 2018-19

Enabling participation within the community

Protecting older people’s food security

Aligning to the Industrial Strategy’s Ageing Society Grand Challenge the University has worked to explore older people’s experiences of everyday decision-making about food to better understand how to support them to stay ‘food secure’.

With one in 10 people aged over 65 in England and Wales suffering from, or at risk of, malnutrition, regular trips to the supermarket can ensure older people continue to have access to the food they want to eat.

The research was part of a wider body of work on Understanding the Challenges of the Food System in the UK, funded by the Economic and Social Research Council and the Food Standards Agency. The University’s study, Food Provision in Later Life, challenged retailers to reassess how they can better serve our increasingly elderly population, and in the process increase sales.

While policymakers and the food industry have been considering ways to encourage wider take-up of online shopping among the over-sixties, the University’s findings suggest this may not be the best way forward. The study warned that shopping online could contribute to a greater feeling of isolation and older people becoming less involved in food provisioning.

Practical recommendations for food retailers include introducing slower checkout lanes for older people at set times, targeted in-store marketing campaigns, more seating, setting up volunteer ‘shopping buddy’ schemes and increased staff training.

As a direct development, researchers from the University’s Centre for Research in Public Health and Community Care have collaborated with game learning specialists Focus Games to translate their findings into an educational board game. The game is now on the market and is being aimed at NHS Trusts and supermarkets looking to train their staff to understand food security challenges faced by the elderly.



Food Provision in Later Life board game



Investing in our people

We want our staff to know how much we value them, and it is our duty to provide an exceptional professional environment. Our aim is to implement changes to improve the quality of experience for our staff, students and wider community, allowing them to thrive in a safe and welcoming environment. We listen to what our staff say and endeavour to align our culture at the University with their views. It is crucial that we remain proactive to any developments which could impact our staff or the quality of their experience.

As part of our commitment to the people strand of the University strategy, we carried out a Pulse Survey among our staff to seek their views on what it means to work here. 1,541 staff took part in the survey, a response rate of 60%.

The purpose of the survey was to gather views on how we are progressing since the full staff survey in 2017 and to ascertain whether action plans needed to be changed or improved to meet staff needs. The results have now been shared with staff in all professional and academic SBUs and action plans have been delivered.

In our ongoing efforts, we are also submitting our application to maintain the Bronze Race Equality Charter Mark to ensure that the University continues to be recognised as an inclusive and welcoming institution that proudly represents a diverse community.

In the last 12 months we have upgraded the Human Resources system (Core) to optimise the functionality for staff, allowing for a more efficient and user-friendly system.



1,541
staff took part in the
survey, a response
rate of 60%

IOP | Institute of Physics
Juno Champion





We have also made proactive strides in the following key areas:

Increasing awareness around mental health and wellbeing

In the last year, we made changes to how we view and understand the importance of physical and mental health. Our progress in this area is led by staff and students in a conscious effort to improve the health and wellbeing of our community.

The emotional wellbeing of our staff and students directly affects the health and vitality of the culture here at the University. Therefore, it is essential that we ensure that they feel they can seek support on any issues surrounding mental health.

We are proud to have made substantial investment in our health and wellbeing programmes including free sports

sessions, social events and wellbeing walks. The introduction of our first Wellbeing Champion Network – a group of volunteers representing all SBUs, who are committed to improving wellbeing for themselves and others.

We are proud to be working hard to support the wellbeing of our students, giving them the physical and mental resilience to succeed and be happy.

In October 2018, staff organised the University's participation in World Mental Health Day. The day focused on 'young people in a changing world' to highlight the issues for those under 25 and the importance of supporting wellbeing. This was a great way of celebrating our fantastic student community and showcased our commitment to impacting young lives.

Our commitment to gender equality

In addition to our wellbeing strategy, we are committed to advancing gender equality across the University. Ensuring there is adequate representation of women in traditionally male-centric disciplines has been an ongoing endeavour.

It is vital that the University is recognised as a leading voice in this area.

Six of our academic Schools (Life and Medical Sciences, Hertfordshire Business School, Engineering and Computer Science, Humanities, Creative Arts and Education), hold Athena SWAN Bronze awards for their commitment to achieving gender equality.

In addition, two of the University's Schools have been awarded Silver status - Physics, Astronomy and Maths, and Health and Social Work.

Strategic Report and Financial Statements 2018-19

Investing in our people

Athena SWAN draws attention to the multifaceted nature of gender inequality and highlights that academia cannot reach its full potential unless it can benefit from the talents of all.

The School of Physics, Astronomy and Mathematics received the Juno Champion award in July 2019. This incredible achievement was due to:

- the introduction of a funded summer undergraduate research programme with 30% female participants.
- commitment to teaching replacement cover, when possible, for staff on planned periods of maternity or parental leave of six months or more – which avoids putting undue burden and strain on staff.

We are particularly focused on increasing the representation of women in STEM subjects (Science, Technology, Engineering, Maths and Medicine), as these disciplines have historically been largely male dominated. It is our commitment to champion the role of women in these industries and professions related to these subjects.

We recently introduced a Women in Engineering undergraduate scholarship to attract more women to the industry, provide more opportunities and create greater gender parity in this area.

However, despite the progress we have made there is still much work to be done and gender equality remains a key priority. By diversifying our student profile, we widen the variety and originality of our research and enrich the inclusive culture that defines our community.

Minimising the gender pay gap

Reducing the gender pay gap is a high priority that affects all industries. Our core values determine that we treat everybody equally and we are working across the University to proactively reduce any disparity in pay among staff and move towards greater equality.

In the last year, our overall mean rate of pay for males has increased by 25p (1%), while pay for females has increased by 59p (2.9%), resulting in a fall in the mean gender pay gap from 13% to 11.6%. We are proud to provide a discernible pattern of positive action in this area. However, we acknowledge that this issue continues and further action must be taken.

Several measures are already in place, but they still require time to take effect. Many are there to support, develop and encourage women to move into more senior positions across the University, as this is the most effective way of making meaningful change.

Going forward we are devoted to working on realistic, deliverable measures which will help us build stronger relationships internally and continue to attract the best talent.

Some of the measures we have implemented include:

- enabling our people to flourish in their careers and be confident they can do so via clear progression paths and well-established, family-friendly work arrangements.
- undertaking a comprehensive analysis of the University's gender pay reporting data for both 2017 and 2018 and identifying those areas most likely to influence positive changes.
- actively reviewing our pay and bonus arrangements and their impact on the gender pay gap.
- completing a full equal pay audit to ensure we have the full picture and can address imbalances.
- continuing to action the University's equality objectives through relevant work streams across the institution.
- increasing the proportion of female academic staff at senior levels.

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 2018 to 31 March 2019 is published on the University's website at go.herts.ac.uk/TradeUnionFacilityTime. This has been updated to cover the accounting reporting period 1 August 2018 to 31 July 2019 (comparatives are not required to be presented under the regulations) and is as follows:

Trade union facility time

	2019
	Number
Number of trade union representatives	22
Full-time equivalent number of trade union representatives	19

Percentage of working hours spent on trade union facility time

	2019
	Number
0% of working hours	-
1 to 50% of working hours	22
51 to 99% of working hours	-
100% of working hours	-

Percentage of staff costs spent on facility time

	2019
	£'000
Total staff costs for the University	129,085
Total cost of facility time	164
Percentage of staff costs spent on facility time	0.13%

Paid trade union activities

	2019
Percentage of total paid facility time spent on paid trade union activities	15%



Maximising the impact and sustainability of our estate

As a forward-looking University, it is vital for us to continue to develop new spaces that integrate the essential tenets of university life and provide modern, cutting-edge facilities that incubate new businesses and nurture our existing partnerships.

As we continue to invest in our exceptional estate, we remain conscious of our social and environmental responsibility. We endeavour to positively improve our impact on the environment and use the resources available to us more effectively.

Commencing work on new developments

This year we started work on the new Enterprise Hub on the de Havilland Campus. This is part of our continued growth and shows our commitment to expanding the business-facing profile that defines the University.

This project will allow us to become an even stronger leader in local education and innovation by providing opportunities for executive education, while supporting the business community in the country.

Investing in further developments also fosters further growth, which is good for students and businesses. The fantastic

spaces we have on campus, such as the new business building, give our students the perfect environment to form professional networks that can help their businesses succeed. They also give professionals a chance to tap into new entrepreneurial talent.

Continued success in sustainability

With expansion and ongoing developments come a responsibility to ensure our estate contributes positively to the environment and is ecologically sustainable.

Sustainability is key for all businesses and we take it very seriously. We remain proactive in seeking to reduce our impact on the environment.

Since 2005-06, we have:

- reduced carbon emissions by 21%.
- ensured that 1% of electricity is produced on site by solar panels.
- recycled 75% of waste.
- redirected 98% of non-recyclable waste from landfill.
- won two titles at the UK Bus Awards 2018 for our Uno service, which enables 29% of our students to commute to our campuses.

We have also received accolades for our Science Building which has been recognised for its sustainability and engineering. The five-storey, purpose-built building was completed in 2016 and contains numerous energy-efficient systems to ensure energy consumption is minimised. Last year we received a high commendation in the Most Sustainable Construction category at the Building Futures Awards 2018, due to the innovative design and high-quality construction of the building.

Looking forward

We are continually planning for the future and developing new infrastructure. As we look to 2020 and beyond, it is integral that new developments continue to exceed the sustainability precedent already established. By 2020 we want to have reduced our total carbon emissions by 43% against the 2005-06 baseline.

21%

reduced carbon emissions by 21%

98%

of non-recyclable waste redirected from landfill

Most Sustainable Construction category at the Building Futures Awards 2018



Science Building at the College Lane Campus

Enhancing the digital experience

It has been a year of investment in our estate, especially in our digital experience. This investment, and our consistent year-on-year approach was recognised by the Complete University Guide, which rated us in the top 10 for facilities spend.

One of our significant investments this year was the upgrade of our wireless network. The two-year, £2.0m Wi-Fi improvement project has now been successfully completed, with high-capacity access points (APs) installed across the estate. Our IT team installed 875 new APs in the de Havilland halls of residence in readiness for the start of September 2019, as well as in Forum Hertfordshire and both campus Learning Resources Centres. As the year progressed, the team continued to update all teaching and social areas throughout the site.

The University now has 3,500 high-capacity APs installed across the entire estate – a 200% increase in Wi-Fi capacity across all teaching rooms that connects more than 5,800 devices each day.

“ Students rely on Wi-Fi when they’re at uni, whether it’s for social or study, so it’s brilliant that the Networks Team has put in a lot of work to complete this project. ”

Rida Shafqat
President
Hertfordshire Students’ Union

Alongside this major project, the University continued to roll out its new Virtual Learning Environment - Canvas. This major software update works within our student intranet, StudyNet and will enable a further enhancement to the online learning environment for our students and staff.

Further investment this year was delivered through the introduction of recording in many of our teaching rooms. This will allow staff to capture certain teaching sessions so that students can replay lectures and seminars at their own pace for reflection and revision during key examination periods.

Finally, the University is committed to ensuring we work safely and securely online and so has rolled out multi-factor authentication (MFA) during the past academic year. MFA is a new way of logging into University systems and gives staff who have access to sensitive data added security and protection.

“ Our investments this year have been directly addressing comments raised by students in the National Student Survey in order to improve the resilience and capacity of our services. There is a digital element to all areas of the University and we need to constantly ensure that we are prioritising developments that deliver the best services to our students and staff. ”

David Ford
Chief Information Officer
University of Hertfordshire

3,500

3,500 high-capacity APs installed across the entire estate

200%

increase in Wi-Fi capacity across all teaching rooms

Free campus Wi-Fi

Go to:
getconnected.herts.ac.uk

No data?
Connect to UHwifi
for free temporary Wi-Fi



Financial Review and Risks 2018-19

“ Our focus on value for money where investment is concerned extends to every part of the business. Behind our continued financial steadfastness is a commitment to being efficient and effective, which means spending wisely and spending fairly. ”

Professor Quintin McKellar
Vice-Chancellor
University of Hertfordshire



Strategic Report and Financial Statements 2018-19

Financial Review and Risks 2018-19

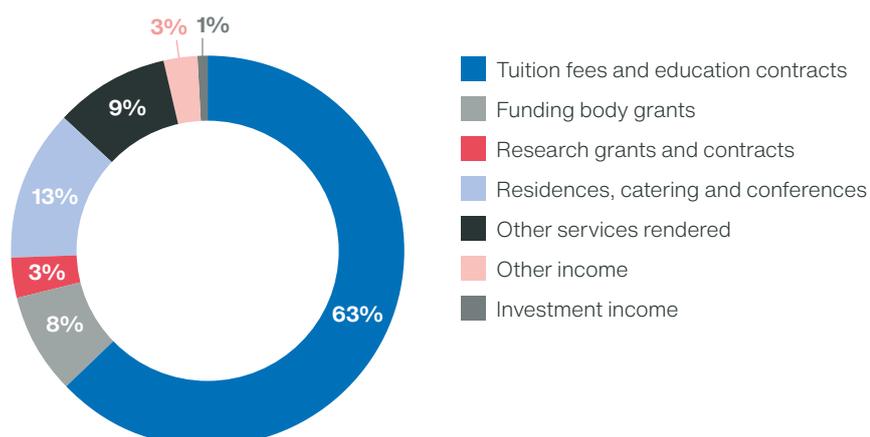
Financial surplus is critical to addressing the requirements of the Strategic Plan by delivering sustainability and providing investment opportunities to benefit students.

The Group has had 10 consecutive years of surplus and is well placed to deal with changes in the external environment, including the possible challenges from Brexit and from the Government's review into higher education. The Group consists of the University of Hertfordshire, its subsidiary undertakings and joint ventures as shown in notes 15 and 16 of the Financial Statements.

The Group achieved a surplus for the year of £4.5m (2018: £3.0m) and recorded total comprehensive expenditure of £20.5m (2018: income of £29.6m). The figures are reported after significant adjustments in respect of both the Local Government Pension Scheme (LGPS) and the Universities Superannuation Scheme (USS) as detailed below:

	2019 £m	2018 £m
Surplus for the year before pension cost adjustments	9.5	7.6
LGPS service cost and interest charge	(2.9)	(4.2)
USS recovery plan provision increase	(2.1)	(0.4)
Surplus for the year	4.5	3.0
LGPS actuarial (loss)/gain	(24.8)	26.5
Change in fair value on hedging financial instruments	(0.2)	0.0
Total comprehensive (expenditure)/income for the year	(20.5)	29.5

Group income 2018-19



The value delivered to students goes beyond research-informed teaching. There are many services included within the tuition fee, including state-of-the-art learning resources centres, careers advice, counselling, chaplaincy, subsidised transport, award-winning sports facilities and several others besides. These services positively contribute to the wellbeing of students.

UK undergraduate tuition fees are only repayable once a student has graduated and earns a salary above £25,000. Over a graduate's lifetime the average uplift in salary associated with a degree substantially exceeds the cost of repaying tuition fees. This year 63% of Group income came from tuition fees.

An analysis of our student population is shown on page 44.

Income

Total tuition fee income for the year was £171.0m, an increase of £3.1m (2%) from the previous year. This was in line with increased student numbers and non-regulated fee increases.

Annual tuition fees for UK and EU undergraduate students remain capped at £9,250, which although a modest increase since 2016 is insufficient to meet cost inflation. Other fees and price increases need to stay competitive and are reviewed annually to take account of inflationary pressure on costs and market rates more generally.

Direct income grants from the Office for Students (OfS) remained stable and without any inflationary increase. £3.9m was received from the Higher Education Innovation Fund, in recognition of the business-facing work undertaken by the University.

The University has now enrolled a total of 455 degree apprentices onto a total of 16 programmes, with a further two intakes due during the 2019-20 academic year. Our three most popular programmes are Nursing Associate, an apprenticeship version of the Masters in Business Administration and a Masters in Business and Organisational Strategy.

Funding for many health-related courses is now provided through the Student Loan Company, as opposed to directly from the NHS, via Health Education England. The impact of this can be seen in the analysis of tuition fee income in note 1 of the Financial Statements.

Research income is competitively bid for and is awarded from a variety of sources including the EU, research councils and UK Research and Innovation. Income recognised in the year was £8.8m, slightly lower than in previous years. Recent investment in staff is anticipated to enhance the volume and success rate of bids.

The investment facility with Rathbones, which opened in 2018 to give some surplus cash more exposure to equities and bonds, has been successful in delivering returns well in excess of the more conventional cash and liquidity funds.

Group income sources can be seen from the opposite chart.

Expenditure

Control over costs is of significant importance as part of the Group's overall value-for-money agenda. Staff costs do generally increase annually even with modest pay awards. The Group made a number of strategic targeted investments in staffing to further improve the quality of teaching and research.

More than 54% of operating expenditure of the University Group is on staff costs. The majority of these staff are in activities that make direct contact with students, either as lecturers, technicians, librarians, careers advisers or in the student centre. Other expenditure is incurred to provide state-of-the-art facilities, buildings, equipment, accommodation and accessible learning resources.

Most staff are entitled to join an occupational pension scheme, with the majority becoming members of the Teachers' Pension Scheme or the Local Government Pension Scheme (LGPS).

The LGPS is deemed to be specific enough to each employer to require recognition in the accounts. Following actuarial advice, the scheme deficit has increased to £40.7m, after a period of falls in both world stock markets and corporate bond yields.

The Group employs a small number of staff who are members of the Universities Superannuation Scheme (USS). The University has a contractual obligation under the USS to fund the past deficit on this scheme. The adoption of a new deficit recovery plan in 2018-19 following the 2017 valuation, resulted in an increase in the pension deficit provision of £1.7m. This provision is expected to reduce in 2019-20 based on the 2018 valuation, which was finalised after the end of the current reporting period.

Procurement of goods and services adheres to EU law and much use is made of regional and national purchasing consortia. 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.

Interest payable continues to fall as external loans are paid off, despite a recent increase in the base rate. Around 55% of the external debt is at a fixed rate and this portion is unaffected by rate rises.

Capital investment

The next major project being undertaken as part of the Estates 2020 project is the Enterprise Hub at the de Havilland Campus, which will be a social space for students and will also house business incubation and teaching. It is due for completion in 2020 and has attracted funding from the Hertfordshire Local Enterprise Partnership.

The demolition of a former teaching building at the College Lane Campus has been completed in readiness for the construction of a new facility to be opened around 2023. Enhancements to the original college building, dating from the early 1950s, are also planned.

Investment has been made in teaching and research equipment, IT infrastructure, Wi-Fi capability and supporting the research themes. Eight vehicles were purchased for Universitybus Limited, a wholly owned subsidiary company which provides essential services to staff and students in Hertfordshire and beyond. In total, £19m was spent on capital projects during the year.

Subsidiary companies

The subsidiary companies have experienced a mixed trading year. Bio Park Hertfordshire Limited incurred substantial maintenance costs resulting in a loss of £2.8m. The BioPark facility is due to be closed and sold during 2020 when the company will cease to trade.

Universitybus Limited broke even following more grant cuts by Hertfordshire County Council and an increase in oil prices, although a hedging facility has successfully mitigated much of this rise. Modernising the fleet further, thirty vehicles were disposed of during the year, although this resulted in a book loss. Major improvements were made to services to and from London and Luton to help commuting students in particular. The contract with Oxford University concluded in July 2019.

The Exemplas group recorded a profit of £0.1m through its wide-ranging business support activities to SMEs.

Commercial projects in the academic schools and conferencing is traded through UH Ventures Limited, recording a profit of £0.4m.

Polyfield Property Limited, which runs the Hertfordshire Sports Village, made a loss of £2.8m. This was down to the ongoing unitary payments it makes under a Private Finance Initiative and after providing for an inter-company loan of £2.4m due from its subsidiary, Bio Park Hertfordshire Limited.

Strategic Report and Financial Statements 2018–19

Financial Review and Risks 2018-19

Monitoring financial performance

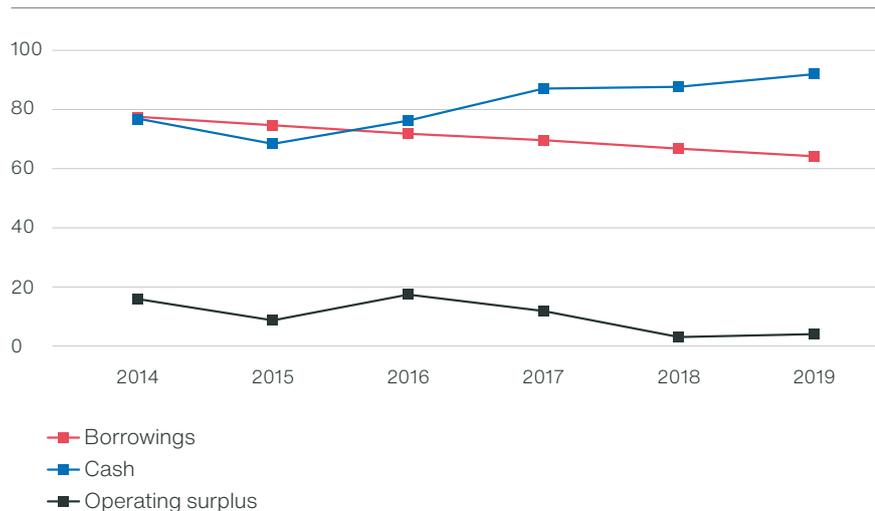
The Group monitors its financial performance against the following key financial metrics as used by OfS:

Financial metric	Actual 2018-19	Actual 2017-18
Surplus as % of total income	1.6%	1.1%
Cash flow as % of total income	9.2%	7.2%
Net liquidity/total expenditure less depreciation	134 days	130 days
Total assets/total liabilities	2.3	2.6
External borrowing as % of total income	23.6%	24.9%
Unrestricted reserves as % of total income	94.4%	103.5%

Cash flow

Cash, including short-term deposits, increased to £92.1m (£87.8m last year) and so is healthy and adequate to fund future investment. Cash generated from operating activities was slightly higher than capital expenditure. External debt of £2.0m was repaid. It is not envisaged that further external borrowing will be needed in the foreseeable future.

Group surplus, cash and borrowings (£m)



Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and Paragraph 1 of Schedule 6 to the Finance Act 2010 and is recognised as a charity by HM Revenue & Customs.

Commercial trading activities undertaken by the University are operated through its subsidiary companies and attract VAT where applicable. Indirect tax (VAT) and payroll taxes (PAYE and National Insurance contributions) collected and paid amounted to £1.2m and £35.1m respectively.

Conclusion

The financial surplus for the year was slightly higher than in the previous year, mainly because of income growth outstripping investment in staff and the impact of the LGPS and USS provisions.

The Board considers that the Group remains in excellent financial health, given its recent record in generating surplus and its controls over investments and costs. The Group is well placed to consider and make decisions in the interests of its stakeholders, most importantly the value it offers to its students.



41

Strategic Report and Financial Statements 2018-19

Financial Review and Risks 2018-19

Risks

In order to support the strategy and its key performance indicators, the Board identifies and closely monitors business risks. Members of the executive team provide regular briefings to the Audit and Risk Committee and the Board, allowing governors to monitor risk assessment, mitigation and responses to these risks. The University's Corporate Risk Register underwent significant review in 2018-19, resulting in a more streamlined document that focuses on our key risks. Further details on the Group's risk-management procedures and policies are set out in the Statement of Corporate Governance.

Strategic Risk	Mitigation
Education	
Failure to deliver a high-quality student experience	<p>The student experience is promoted by close working with Hertfordshire Students' Union and by regular review of student issues by senior management.</p> <p>Awareness of the student experience is informed by the NSS, by mid-module feedback and yearly end of cohort feedback.</p> <p>This is in addition to regular, routine interactions between our students and academic and professional staff, including the appointment of Community Officers within each School.</p>
Failure to offer workplace engagement and overseas learning opportunities	<p>Active engagement by Schools and the Careers and Employment service.</p> <p>Active engagement with the Enterprise and Business Development partners to ensure linkage with business needs.</p>
Research	
Insufficient high-quality outputs with high impact that can contribute to the Research Excellence Framework	<p>Continued focus within the University on the impact of University research is supported by a Research Impact Facilitator to provide support and guidance to University researchers.</p> <p>Positive results from the mock Research Excellence Framework reviews.</p>
International	
Failure to develop and maintain strong and beneficial international partnerships	<p>Regular monitoring of international partners.</p> <p>Robust due diligence undertaken on potential partners.</p>
Business	
Failure to maintain effective relationships with the University's subsidiaries, outsourced partners and other key partner organisations.	<p>Expert management and governance of the subsidiary companies is in place, with close monitoring of activities and financial performance by executive and non-executive directors. Subsidiary company financial plans and reports are submitted to the University's Board of Governors.</p> <p>Regular monitoring of contractor performance by strong Procurement and Estates Teams and wide use of purchasing consortia.</p>
Community and Partners	
Major accident / incident on campus	<p>Close relations with police and emergency services with an on-campus presence through the Community Police Team.</p> <p>Mock rehearsals of emergency planning and business continuity protocols.</p> <p>Clear policies, procedures and training in place on Prevent duty.</p>

People

Failure to recruit, retain and ensure wellbeing of staff to ensure an adequate workforce.	People Strategy and Equality, Diversity and Inclusion Strategy in place. Refresh of the Wellbeing Strategy, putting the 'health' back into health and safety.
---	--

Failure to effectively forward plan to support future University workforce needs.	Organisational planning includes assessing workforce requirements, identification of single sources of failure and concerns. This has included the implications of a hard Brexit for EU staff members.
---	--

Sustainability

Failure to meet student recruitment targets	Excellent recruitment systems, plans and campaigns are in place, supported by regular analysis of academic portfolio and market position, with agreement on realistic recruitment targets. Positive conversion and marketing campaigns are conducted, supported by a tight and effective Clearing operation.
---	--

Failure to maintain a financially sustainable position	Robust financial management controls with regular forecasting and scenario planning. Diversification of income to spread the financial risk to the University.
--	---

Significant cyber security attack having impact on multiple users	Strong awareness raising of cyber risks to all staff and encryption of all new devices. Strong network security processes and anti-malware solutions in place with regular penetration tests conducted.
---	--

Failure to prepare for impact on University of key external influences, such as a no-deal Brexit	Robust horizon scanning processes in place with external intelligence received through key, recognised channels. Active engagement and lobbying on key issues. Separate 'no-deal' Brexit risk register.
--	---

Failure to comply with legislation and statutory duties including OfS conditions of registration	Strong processes and training in place in relation to key legislation, such as GDPR and UKVI, including a University Data Protection Officer and dedicated teams within Human Resources and Academic Registry to manage UKVI compliance. Full and ongoing engagement with the OfS.
--	---

Failure of IT infrastructure	IT Infrastructure and replacement cycles reviewed, and additional contingencies developed to ensure continuity of service if IT fails.
------------------------------	--

Failure to maintain and develop the University's Estate in response to needs and to effectively manage the statutory compliance aspects of the Estate.	Estates 2020 project reviewed to ensure continued relevance to the University's Strategy. Ten-year facilities management contract in place until 2027. Monthly reporting on statutory compliance.
--	---

Strategic Report and Financial Statements 2018–19

Student numbers

Student numbers

The following tables show an analysis of our student profile for 2018–19.

Mode and level of study

Full-time and sandwich	Postgraduate research	250
	Postgraduate taught	1,780
	First degree	15,130
	Foundation degree	380
	Other undergraduate	50
Total	17,590	
Part-time	Postgraduate research	290
	Postgraduate taught	3,820
	First degree	1,500
	Foundation degree	340
	Other undergraduate	740
Total	6,690	
Total students studying within the UK	24,280	

Gender

Female	14,010	57.7%
Male	10,270	42.3%
Total	24,280	100.0%

Ethnicity

White	10,750	44.3%
Asian or Asian British	5,660	23.3%
Black or Black British	4,290	17.7%
Chinese	960	4.0%
Other (including mixed race)	2,220	9.1%
Unknown/information refused	400	1.6%
Total	24,280	100.0%

Geographic region

England	19,480	80.2%
Wales	100	0.4%
Scotland	80	0.3%
Northern Ireland	60	0.2%
Guernsey, Jersey and the Isle of Man	20	0.1%
Other EU	850	3.5%
Non EU	3,700	15.2%
Total	24,280	100.0%

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	10	0.0%
Subjects allied to medicine	6,110	25.2%
Biological sciences	1,430	5.9%
Agriculture and related subjects	40	0.2%
Physical sciences	340	1.4%
Mathematical sciences	210	0.9%
Computer science	1,780	7.3%
Engineering and technology	1,660	6.8%
Architecture, building and planning	190	0.8%
Social studies	1,140	4.7%
Law	1,480	6.1%
Business and administrative studies	4,400	18.1%
Mass communications and documentation	250	1.0%
Languages	380	1.6%
Historical and philosophical studies	210	0.9%
Creative arts and design	2,520	10.4%
Education	2,000	8.2%
Combined	120	0.5%
Total	24,280	100.0%

Students from outside the UK – top 10 countries

India	990	4.0%
China	660	2.7%
Nigeria	370	1.5%
Pakistan	260	1.1%
Malaysia	240	1.0%
Ireland	130	0.5%
Portugal	120	0.5%
Bangladesh	90	0.4%
Spain	70	0.3%
Cyprus (European Union)	70	0.3%
Total	3,000	12.2%

Students studying wholly outside the UK

Students on overseas franchise programmes

Malaysia	4,110
Russia	340
Canada	250
Singapore	230
Sri Lanka	100
Other countries	100
Total (students on overseas franchise programmes)	5,130

Students on distance learning programmes outside the UK (across 120 countries)

Total (students studying wholly outside the UK) **6,580**

Total student numbers 30,860



University staff helping new students during arrivals week

Statement of Corporate Governance

The following statement covers the year to 31 July 2019 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 was previously regulated by the Higher Education Funding Council for England (HEFCE) who were replaced by the Office for Students (OfS) as the new regulator for English higher education established 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); the requirements of the OfS Regulatory Framework and, until 31 July 2019, when the OfS fully assumed the role of regulator, the duties 'carried forward' from the previous legislation. The Board has adopted The Higher Education Code of Governance (CUC 2014, revised 2018) and is satisfied that it operates in compliance with the Code. The latest review was completed in October 2018.

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).

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 2018-19, the Board met on seven occasions and average attendance was 90% (compared to 86.4% 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 law, local government, the civil service, accountancy, business, health, pharmaceuticals, finance, politics, banking, regulation and higher education. The University has established a framework (in line with OfS requirements) that enables it to consider whether or not each individual governor is 'fit and proper' to be involved in the management and governance of the University.

Members of the Board of Governors are listed on page 105. 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, and the Pro Vice-Chancellor Business and International Development) 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 composition includes 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.

Strategic Report and Financial Statements 2018–19

Statement of Corporate Governance

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 (ERGN)

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. From 1 September 2018, this committee is chaired by an independent member of the Board (who is not the Chair of the Board).

Vice-Chancellor's Remuneration Committee

From 1 September 2018 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 Audit and Risk Committee normally meets five times each year, including a meeting with the external auditors to discuss findings in relation to the audit of the financial statements. The committee considers the detailed internal audit report findings prepared by the University's Internal Audit Service, reviews the effectiveness of the systems of internal control and monitors compliance with regulatory requirements. It reviews the annual financial statements prior to their consideration and approval by the Board together with the accounting policies. It ensures that the systems and processes for the preparation of statutory returns to OfS (and formerly to HEFCE) and the Higher Education Statistics Agency are reviewed and that returns have received the required approval prior to submission. It also reviews the University's corporate risk register at each meeting.

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 surpluses in each of the past 10 years and has cash reserves at a high level. The budget for 2019–20 was approved on the basis of achieving a surplus 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.



Learning Resources Centre, College Lane Campus

Statement of Internal Control

The following statement covers the year to 31 July 2019 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 the 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 which 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 objectives 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 at each meeting of the Board of Governors.
- Risk registers are also maintained at Strategic Business Unit (SBU) level, which are reviewed regularly by the University's Business Risk Manager who meets with Heads of SBU 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 co-ordination 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 annually by the Internal Audit Service. The effective implementation of risk-management arrangements is considered as part of the work undertaken on each audit, where appropriate.
- The Audit and Risk Committee receives and provides challenge to the individual audit reports from the Internal Audit Service. This includes the service'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. While no significant control failures have been identified during the year, internal audit has made recommendations to address any control weaknesses identified during the course of their work and their implementation is regularly monitored by the Audit and Risk Committee.
- A system of key performance and risk indicators is in place.
- Monitor our procurement procedures to promote economy and efficiency and ensure value for money.
- Carry out effective reviews to provide assurance over the quality and completeness of data management.

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 (February 2018), 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 2015 (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, Research England and other funding bodies are used only for the purposes for which they have been given and in accordance with the Terms and Conditions of Funding for HEIs (OfS) and any other conditions which its regulators may from time to time prescribe.
- 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 26 November 2019 and signed on its behalf by:

Professor Q A McKellar,
Vice-Chancellor and Chief Executive

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

Report of the independent auditor to the Board of Governors of the University of Hertfordshire

Opinion

We have audited the financial statements of the University of Hertfordshire ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2019 which comprise Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, 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).

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 2019 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 properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The board are responsible for the other information. Other information comprises the information included in the Strategic Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, the Financial Review and Risks, the Statement of Corporate Governance and the Statement of Internal Control 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 Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and Research England have been applied in accordance with The Terms and Conditions of Funding and any other terms and conditions attached to them.
- The requirements of the OfS's accounts direction have been met.

Responsibilities of the Board of Governors

As explained more fully in the Statement of the Responsibilities of the Board of Governors, the board is 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 of governors 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 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 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.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding from the Office for Students and Research England.

Use of our report

This report is made solely to the University board, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. 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 of governors as a body, for our audit work, for this report, or for the opinions we have formed.

James Aston

(Senior Statutory Auditor)

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

Date: 29 November 2019

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

Financial Statements



Strategic Report and Financial Statements 2018–19

Statement of comprehensive income

Consolidated and University statement of comprehensive income for the year ended 31 July 2019

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	171,023	171,028	167,875	167,884
Funding body grants	2	22,531	22,531	21,162	21,162
Research grants and contracts	3	8,788	8,063	10,529	9,617
Other income	4	67,382	46,345	66,427	44,491
Investment income	5	1,691	1,651	1,192	1,143
Donations and endowments	6	368	273	281	206
Total income		271,783	249,891	267,466	244,503
Expenditure					
Staff costs	7	146,008	129,085	143,047	126,399
Other operating expenses		101,377	97,012	100,555	96,670
Depreciation	12	17,460	14,706	17,677	15,336
Interest and other finance costs	8	3,050	2,519	3,711	3,134
Total expenditure	9	267,895	243,322	264,990	241,539
Surplus before other gains and losses and share of operating surplus of joint ventures					
		3,888	6,569	2,476	2,964
(Loss)/gain on disposal of fixed assets		(66)	-	15	-
Gain on investments	14	511	264	445	272
Share of operating surplus in joint ventures	16	131	-	159	-
Surplus before tax		4,464	6,833	3,095	3,236
Taxation	10	4	-	(65)	(77)
Surplus for the year		4,468	6,833	3,030	3,159
Actuarial (loss)/gain in respect of pension schemes					
	30	(24,829)	(23,716)	26,503	26,236
Change in fair value of hedging financial instruments					
	25	(185)	-	24	-
Total comprehensive (expenditure)/income for the year		(20,546)	(16,883)	29,557	29,395
Represented by:					
Endowment comprehensive income for the year		172	23	(349)	18
Restricted comprehensive income for the year		(604)	(46)	42	(44)
Unrestricted comprehensive income for the year		(19,847)	(16,593)	30,130	29,688
Revaluation reserve comprehensive income for the year		(267)	(267)	(266)	(267)
		(20,546)	(16,883)	29,557	29,395

All results are from continuing operations.

The notes on pages 62 to 104 form an integral part of these financial statements.

Consolidated and University statement of changes in reserves for the year ended 31 July 2019

	Income and expenditure account				
	Endowment	Restricted	Unrestricted	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000
Group					
Balance at 1 August 2017	3,011	1,133	205,776	41,063	250,983
Surplus from the statement of comprehensive income	136	238	2,656	-	3,030
Other comprehensive income	-	24	26,503	-	26,527
Transfers between reserves	(485)	7	744	(266)	-
Release of restricted funds spent in year	-	(227)	227	-	-
Total comprehensive income for the year	(349)	42	30,130	(266)	29,557
Balance at 1 August 2018	2,662	1,175	235,906	40,797	280,540
Surplus from the statement of comprehensive income	172	184	4,112	-	4,468
Other comprehensive expenditure	-	(185)	(24,829)	-	(25,014)
Transfers between reserves	-	2	265	(267)	-
Release of restricted funds spent in year	-	(605)	605	-	-
Total comprehensive expenditure for the year	172	(604)	(19,847)	(267)	(20,546)
Balance at 31 July 2019	2,834	571	216,059	40,530	259,994
University					
Balance at 1 August 2017	728	244	216,624	39,923	257,519
Surplus from the statement of comprehensive income	18	26	3,115	-	3,159
Other comprehensive income	-	-	26,236	-	26,236
Transfers between reserves	-	-	267	(267)	-
Release of restricted funds spent in year	-	(70)	70	-	-
Total comprehensive income for the year	18	(44)	29,688	(267)	29,395
Balance at 1 August 2018	746	200	246,312	39,656	286,914
Surplus from the statement of comprehensive income	23	55	6,755	-	6,833
Other comprehensive expenditure	-	-	(23,716)	-	(23,716)
Transfers between reserves	-	-	267	(267)	-
Release of restricted funds spent in year	-	(101)	101	-	-
Total comprehensive expenditure for the year	23	(46)	(16,593)	(267)	(16,883)
Balance at 31 July 2019	769	154	229,719	39,389	270,031

Consolidated and University balance sheets as at 31 July 2019

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Non-current assets					
Intangible assets	11	30	-	32	-
Goodwill	11	763	-	852	-
Fixed assets	12	314,206	277,058	312,938	274,578
Investments	14	34,674	79,505	34,123	79,684
Investment in joint ventures	16	974	-	868	-
		350,647	356,563	348,813	354,262
Current assets					
Stock	17	335	93	383	147
Trade and other receivables	18	21,924	22,202	21,452	21,120
Investments	19	34,701	34,701	30,168	30,168
Cash and cash equivalents		57,391	46,824	57,654	43,058
		114,351	103,820	109,657	94,493
Less: Creditors: amounts falling due within one year	20	(67,891)	(63,185)	(68,473)	(62,076)
Net current assets		46,460	40,635	41,184	32,417
Total assets less current liabilities		397,107	397,198	389,997	386,679
Creditors: amounts falling due after more than one year	21	(93,476)	(83,530)	(95,204)	(84,458)
Provisions					
Pension provisions	23	(43,234)	(43,234)	(13,830)	(14,904)
Provisions for liabilities	23	(403)	(403)	(423)	(403)
Total net assets		259,994	270,031	280,540	286,914
Restricted reserves					
Income and expenditure reserve – endowment reserve	24	2,834	769	2,662	746
Income and expenditure reserve – restricted reserve	25	571	154	1,175	200
Unrestricted reserves					
Income and expenditure reserve – unrestricted		216,059	229,719	235,906	246,312
Revaluation reserve		40,530	39,389	40,797	39,656
Total reserves		259,994	270,031	280,540	286,914

The Financial Statements were approved and authorised for issue by the Board of Governors on 26 November 2019 and signed on its behalf by:

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

Professor Q A McKellar
Vice-Chancellor and Chief Executive

Mr A Moffat
Group Finance Director

Consolidated cash flow for the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Cash flow from operating activities			
Surplus for the year		4,468	3,030
Adjustment for non-cash items			
Depreciation	12	17,460	17,677
Amortisation of intangibles	11	2	2
Amortisation of goodwill	11	89	89
Gain on investments	14	(511)	(445)
Decrease/(increase) in stock		47	(6)
Increase in debtors		(554)	(2,305)
Increase/(decrease) in creditors		1,685	(1,939)
Increase in pension provision		4,575	4,200
Decrease in other provisions		(20)	(72)
Share of operating surplus in joint ventures	16	(131)	(159)
Share of tax in joint ventures		(4)	(11)
Adjustment for investing or financing activities			
Investment income	5	(1,691)	(1,192)
Interest payable		2,616	2,656
Endowment income	6	-	(3)
Loss/(profit) on the sale of fixed assets		66	(15)
Capital grant income		(3,137)	(2,366)
Net cash inflow from operating activities		24,960	19,141
Cash flows from investing activities			
Proceeds from sales of fixed assets		29	41
Capital grants receipts		4,660	2,004
Disposal of non-current asset investments		50	889
Withdrawal of deposits		18,000	8,000
Investment income		1,024	953
Payments made to acquire fixed assets		(21,879)	(16,561)
New non-current asset investments		-	(803)
New deposits		(21,715)	(18,000)
		(19,831)	(23,477)
Cash flows from financing activities			
Interest paid		(1,821)	(1,818)
Interest element of finance lease and service concession payments		(795)	(835)
Endowment cash received		-	3
Repayments of amounts borrowed		(2,008)	(1,969)
Capital element of finance lease and service concession payments		(768)	(744)
		(5,392)	(5,363)
Decrease in cash for the year		(263)	(9,699)
Cash and cash equivalents at beginning of the year		57,654	67,353
Cash and cash equivalents at end of the year		57,391	57,654

Statement of principal accounting policies

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 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 and its subsidiary undertakings (the Group) has adequate resources to ensure financial sustainability and continue in operation for the foreseeable future and for this reason the Board consider that the consolidated financial statements of the Group should be prepared on a going concern basis. Where a subsidiary undertaking is expected to cease trading in the near future, then the accounts of that individual entity will be prepared on a break-up basis as appropriate. The impact on the Group accounts would be considered on the grounds of materiality.

2. 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 2019. 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.

3. 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.

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 capitalised and then 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 four main types of donations and endowments identified within reserves:

- Restricted donations - the donor has specified that the donation must be used for a particular objective.
- Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income.
- Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the Group has the power to use the capital.
- 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.

4. 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.

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.

Strategic Report and Financial Statements 2018-19

Statement of principal accounting policies

5. 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.

6. 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 (excluding UH Trust) are liable to corporation tax and VAT in the same way as any other commercial organisation. UH Trust is exempt from corporation tax on its charitable activities but receives no similar exemption in respect of VAT.

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.

7. Qualifying charitable donation

Where any of the University's wholly owned subsidiary companies makes a qualifying charitable donation, the amount of the donation is shown in donations and endowments in the University's statement of comprehensive income and as an amount due from subsidiary undertaking in trade and other receivables.

8. 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	30-50 years
Refurbishments	3-50 years

Leasehold land and buildings are amortised over the life of the lease up to a maximum of 50 years.

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

9. Intangible assets and goodwill

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.

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

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

Strategic Report and Financial Statements 2018–19

Statement of principal accounting policies

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.

15. Financial instruments

The provisions of both section 11 and 12 of FRS 102 are 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.

16. Derivatives

One of the subsidiary companies in 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.

17. Post balance sheet events

An adjusting post balance sheet event is an event arising after the end of the reporting period where the conditions giving rise to the event existed at the balance sheet date. Where the conditions giving rise to the event did not exist at the balance sheet date no adjustment is made in the financial statements, although additional disclosures are provided.

18. 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.

19. Significant accounting judgements and key sources of estimation uncertainty

In the application of its accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates and assumptions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The key sources of accounting judgement and estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Retirement benefit obligation valuations

Local Government Pension Scheme

In determining the valuation of defined benefit scheme assets and liabilities, a number of key assumptions have been made in terms of inflation rates, life expectancy, discount rates and salary growth. The key assumptions, which are detailed in note 30, are largely dependent on factors outside the control of the Group. The Group is exposed to risks if actual experience differs to the assumptions used and through volatility in plan assets. The defined benefit obligation recognised in the financial statements is based on an independent actuarial valuation as detailed in note 30.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Changes in assumptions at 31 July 2019	Approximate % increase in the defined benefit obligation as at 31 July 2019	Approximate monetary amount (£'000)
0.5% p.a. decrease in real discount rate	11%	35,262
0.5% p.a. increase in salary increase rate	1%	4,308
0.5% p.a. increase in pension increase rate	10%	30,516

Universities Superannuation Scheme (USS)

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

A number of key assumptions have been made in estimating the obligation to fund the USS deficit. The sensitivities of the principal assumptions are set out below:

Changes in assumptions at 31 July 2019	Approximate % increase in the defined benefit obligation as at 31 July 2019
0.5% p.a. decrease in discount rate	5%
0.5% p.a. increase in salary inflation over duration	5%
1% increase in deficit contributions from April 2020	20%
One year increase in the duration of the deficit repayment plan	4%

Strategic Report and Financial Statements 2018–19

Statement of principal accounting policies

Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at fair value. This measurement uses market observable inputs and data as far as possible. The Group measures the following items at fair value:

- investment property
- derivative financial instruments
- investments in common investment fund
- current asset investments

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 consider the purpose of the property, the level of occupancy, economic factors and the climate of the property market in general.

The company uses derivative financial instruments designated as hedging instruments to reduce exposure to changes in fuel prices to acceptable levels. The derivatives are measured at fair value at each reporting date based on an external market valuation.

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 include in their consideration the performance of each undertaking, 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.

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.

Depreciation

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values, where appropriate. Management regularly review the assets' useful economic lives taking into consideration factors such as maintenance programmes. 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.

Notes to the accounts

1. Tuition fees and education contracts

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	116,679	116,704	113,328	113,353
Full-time international students	31,428	31,428	28,882	28,882
Part-time students	12,142	12,122	9,648	9,632
Education contracts	10,774	10,774	16,017	16,017
	171,023	171,028	167,875	167,884

2. Funding body grants

Group and University	2019			2018	
	Office for Students	Research England	Education and Skills Funding Agency	Total	
	£'000	£'000	£'000	£'000	£'000
Recurrent grant					
Teaching	11,583	-	-	11,583	10,869
Research	-	4,033	-	4,033	3,815
Capital grant released	2,741	-	-	2,741	2,193
Other	-	-	26	26	12
Specific grant					
Higher Education Academic Subject Centres	264	-	-	264	466
Higher Education Innovation Fund	-	3,884	-	3,884	3,808
	14,588	7,917	26	22,531	21,162

3. Research grants and contracts

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Research councils	3,308	3,308	2,848	2,848
Research charities	441	474	326	313
Government (UK and overseas)	3,592	3,285	4,195	4,249
Industry and commerce	745	74	827	207
Other	702	922	2,333	2,000
	8,788	8,063	10,529	9,617

Strategic Report and Financial Statements 2018–19

Notes to the accounts

4. Other income

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	34,080	33,275	34,083	33,070
Other services rendered	26,020	5,309	26,388	4,709
Other capital grants	396	-	174	-
Other income	6,886	7,761	5,782	6,712
	67,382	46,345	66,427	44,491

5. Investment income

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Investment income on endowments	24	62	8	61	7
Other investment income		1,629	1,643	1,131	1,136
		1,691	1,651	1,192	1,143

6. Donations and endowments

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
New endowments	24	-	-	3	-
Donations with restrictions		368	273	278	206
		368	273	281	206

7. Staff costs

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Salaries		111,957	97,728	110,815	96,635
Social security costs		11,743	10,346	11,498	10,225
Movement on pension provision	30	4,141	4,130	3,144	3,120
Other pension costs	30	18,167	16,881	17,590	16,419
		146,008	129,085	143,047	126,399

7. Staff costs continued

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

	2019	2018
	Number	Number
Academic	1,080	1,052
Research	136	145
Professional	971	985
Technical	92	96
Other	419	421
	2,698	2,699

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

	2019	2018
	Number	Number
£100,000 - £105,000	5	5
£105,001 - £110,000	2	3
£110,001 - £115,000	1	-
£115,001 - £120,000	1	1
£120,001 - £125,000	-	1
£125,001 - £130,000	1	1
£130,001 - £135,000	1	-
£140,001 - £145,000	-	1
£145,001 - £150,000	1	-
£170,001 - £175,000	-	1
£175,001 - £180,000	1	-
£260,001 - £265,000	-	1
£265,001 - £270,000	1	-
	14	14

Total remuneration package of the Vice-Chancellor:

	2019	2018
	£'000	£'000
Basic salary	268	263
Performance-related variable pay	38	39
Benefits in kind	1	1
Pension contributions and payments in lieu of pension contributions	45	43
	352	346

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.

Strategic Report and Financial Statements 2018-19

Notes to the accounts

7. Staff costs continued

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 figures reported above relate to the remuneration paid to the Vice-Chancellor in 2018-19. The basic salary includes the cost of living increment determined by the VCRC that met in October 2018 and which was applied to 2018-19 and the performance related variable pay relating to his performance in 2017-18.

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 are a number of elements to the policy/package for the Vice-Chancellor's remuneration. These consist of:

- Basic salary – reviewed annually at the VCRC. In recent years the committee has determined to offer the same cost of living rise as awarded to staff in the University to the Vice-Chancellor. This was agreed and applied to his salary in 2018-19.
- Performance related variable pay – this is an element of salary that is paid retrospectively and awarded based on achievement of corporate and personal objectives set by the governing body which ensures that the package varies with annual performance to deliver outcomes that lead to and reflect sustainable and measurable value in relation to the aims of the University's strategic plan.

In determining the level of performance related variable pay (that appears in the 2018-19 accounts) the VCRC reviewed performance and outcomes for the 2017-18 session. This determination was informed by a report of the appraisal of the Vice-Chancellor carried out by the Chair of the Board of Governors and an analysis of performance against the personal and corporate objectives.

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;
- Pay multiples comparing the Vice-Chancellor's salary to that of the rest of staff.

Additionally, the committee was also cognisant of the context in which the Vice-Chancellor is operating.

The Vice-Chancellor is the head of a large institution, with over 24,000 students studying in the UK and over 6,000 studying on University courses worldwide. It has a staff base of approximately 2,700 and a turnover of £271m.

Of University of Hertfordshire students studying in the UK over 50% are female, over 50% are BAME 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 has been rated Gold in the Teaching Excellence Framework demonstrating high quality education, teaching and learning. 96.5% of students are in work or further study within six months or graduating. It also provides excellent impact led research, has a global reach and is entrepreneurial. 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 offers opportunities to study from foundation degree 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.

7. Staff costs continued

The Vice-Chancellor is an excellent ambassador for both the University and the region and represents the University on Universities UK (UUK), University Vocational Award Council (UVAC), Innovation and Growth Policy Network (IGPN), Hatfield Renewal Project and the Local Enterprise Partnership (LEP) Board.

As can be seen from these accounts, against an ever-increasing competitive market, the University is financially sound and generating sufficient surpluses to fund the major capital programme. There has been no new borrowing since 2009 and the existing debt is being reduced annually.

The committee concluded that the majority of the personal objectives for 2017-18 had been met and he had delivered outstanding achievements in certain areas (award of TEF Gold, improvements in NSS and DHLE, shortlisted for the Global Teaching Excellence Award), which outweighed the non-achievement of certain objectives, for example, commercial income levels and students undertaking work experience. The Vice-Chancellor continued to be an outstanding and hugely respected figure in the sector and is seen as a significant asset to the University. He was also acknowledged to continue to uphold and promote the University's values which is seen as key to delivery of the strategic plan.

Performance objectives were also agreed by this committee for 2018-19 which were reviewed by the October 2019 VCRC. This review has noted reduced achievement against some KPIs which will result in a reduction in the total remuneration package that will be paid for 2019-20.

The Vice-Chancellor's basic salary is 6.79 times (2018: 6.58 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 7.66 times (2018: 7.39 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:	2019	2018
	£'000	£'000
Staff costs for key management personnel	971	956

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 (2018: £nil). Total expenses of £2,000 (2018: £1,000) were paid to or on behalf of four (2018: two) members of the governing body. This represents travel, subsistence and computer equipment expenses incurred in attending committee meetings and other events in their official capacity.

Compensation for loss of office :	2019	2018
	£'000	£'000
Compensation for loss of office payable	599	702

	2019	2018
	Number	Number
Number of staff receiving compensation for loss of office	55	33

The Vice-Chancellor and the key management personnel received no compensation for loss of office during the year (2018: £nil).

Strategic Report and Financial Statements 2018–19

Notes to the accounts

8. Interest and other finance costs

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Loan interest	1,793	1,793	1,763	1,763
Finance lease and service concession interest	795	225	835	240
Exchange differences and other interest	28	17	57	53
Net charge on pension schemes	434	484	1,056	1,078
	3,050	2,519	3,711	3,134

9. Analysis of total expenditure by activity

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Academic departments	96,768	95,804	94,993	94,995
Academic services	26,525	28,271	25,426	26,982
Administration	41,977	47,702	40,919	46,101
Premises	28,747	27,479	29,855	28,742
Residences, catering and conferences	35,500	34,723	35,564	34,413
Research grants and contracts	7,889	7,637	8,245	7,862
Other expenses	30,489	1,706	29,988	2,444
	267,895	243,322	264,990	241,539

Other operating expenses include:

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
External auditors remuneration in respect of audit services		91	53	89	52
External auditors remuneration in respect of non-audit services		15	15	24	24
Operating lease rentals	27	19,496	20,692	18,729	20,031

10. Taxation

	2019		2018	
	Group	Group	Group	Group
	£'000	£'000	£'000	£'000
UK corporation tax on surplus for the year		14		18
Group relief paid		(14)		(18)
Adjustment in respect of prior years		-		76
Current tax charge		-		76
Origination and reversal of timing differences		(4)		(11)
Recognition of previously unrecognised tax losses		-		-
Deferred tax		(4)		(11)
Tax on surplus on ordinary activities		(4)		65

10. Taxation continued

	2019	2018
	Group	Group
	£'000	£'000
Tax reconciliation:		
Surplus on ordinary activities before tax	4,464	3,095
Surplus on ordinary activities multiplied by standard rate in the UK (19.0%) (2018: 19.0%)	848	588
Effects of:		
Depreciation for the period in excess of capital allowances	92	7
Non-taxable income/expenditure	(1,873)	(1,387)
Expenses not deductible for tax purposes	212	49
Group relief surrendered	14	18
Group relief receipt	(14)	(18)
Tax losses not utilised	176	10
Tax losses brought forward	(10)	(75)
Deferred tax not recognised	-	1
Timing differences relating to pension liability	551	796
Adjustment in respect of prior years	-	76
Tax (credit)/charge for the year	(4)	65

There is no tax charge attributable to the University for 2019 (2018: £nil).

11. Intangible assets

	Group
	£'000
Other	
At 1 August 2018	32
Amortisation	(2)
At 31 July 2019	30
Goodwill	
At 1 August 2018	852
Amortisation	(89)
At 31 July 2019	763

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.

12. Fixed assets continued

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

	2019	2018
	Buildings	Buildings
	£'000	£'000
Cost	15,940	15,940
Accumulated depreciation brought forward	(5,236)	(4,930)
Depreciation charge for the year	(306)	(306)
Net book value	10,398	10,704

The University held no assets under finance leases at 31 July 2019.

The amount of finance costs capitalised in the year amounts to £nil (2018: £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 2019 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 includes £55.6m of land which is not depreciated (2018: £55.6m).

Strategic Report and Financial Statements 2018–19

Notes to the accounts

13. Service concession arrangements

The University has two service concession arrangements.

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 University's balance sheet. Service commenced on 1 August 2003 and the contract will finish on 31 July 2033. The University has annual rental payments amounting to £4.7m (subject to annual RPI inflation) recorded within other operating expenses.

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 27.

Movement in service concession arrangement assets

The asset value of the service concession included in the balance sheet as at 31 July 2019 is £5,998,000 (2018: £6,135,000). 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 2019 were £3,816,000 (2018: £4,089,000). 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.

13. Service concession arrangements continued

	Liability repayments	Finance charge	Service charge	Total
	£'000	£'000	£'000	£'000
Group and University				
Due within one year	273	210	3,830	4,313
Due between one and two years	273	195	3,830	4,298
Due between two and five years	1,090	630	15,320	17,040
Due in five years or more	2,180	540	30,640	33,360
	3,816	1,575	53,620	59,011

14. Non-current investments

	Investment properties	Other non-current investments	Total
	£'000	£'000	£'000
Group			
At 1 August 2018	23,770	10,353	34,123
Additions	-	339	339
Disposals	-	(50)	(50)
Gain on revaluation	-	262	262
At 31 July 2019	23,770	10,904	34,674

	Subsidiary companies	Investment properties	Other non-current investments	Total
	£'000	£'000	£'000	£'000
University				
At 1 August 2018	60,478	12,265	6,941	79,684
Additions	-	-	339	339
Impairment	(533)	-	-	(533)
Gain on revaluation	-	-	15	15
At 31 July 2019	59,945	12,265	7,295	79,505

Other non-current investments consist of:

	Total
	£'000
Group	
Uliving@Hertfordshire plc	7,125
COIF Charities Investment Fund	2,973
Other investments	806
At 31 July 2019	10,904

Strategic Report and Financial Statements 2018–19

Notes to the accounts

14. Non-current investments continued

	Total			
	£'000			
University				
Uliving@Hertfordshire plc	7,125			
COIF Charities Investment Fund	133			
Other investments	37			
At 31 July 2019	7,295			
	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Gain on investments				
Gains on revaluation of non-current investments	262	15	184	11
Gains on revaluation of current investments	249	249	261	261
	511	264	445	272

The University's subsidiary companies are listed in note 15. They are stated at cost less any provision for impairment. The impairment during the year in the University's balance sheet is due to a reduction in the net asset value of one of its subsidiary companies.

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 at 31 July 2019 was assessed by the University's Director of Estates. In assessing the value of the properties, various factors are considered that can affect the value reported in the accounts, including the purpose of the property, the level of occupancy, economic factors and the climate of the property market in general. All properties were deemed suitable for current activities and no impairment was required.

The University holds £7,124,851 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 £937,756 (2018: 598,925). 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 (2018: £7,000) were redeemed.

15. 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%
Student Forum Limited	Dissolved 22 January 2019	100%
UH Trust	Charity	Limited by guarantee

The value of the investment in subsidiary undertakings in note 14 held by the University of £59,945,000 (2018: £60,478,000), 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) and Corporate Fit Science Limited (registered in Scotland). These companies are wholly owned or effectively controlled by UH Holdings and are as follows:

Company	Nature of business	% shareholding
UH Ventures Limited	Training, consultancy and conference services	100%
Universitybus Limited	Transport services	100%
Exemplas Holdings Limited	Business advice and support	100%
Polyfield Property Limited	Provision of property services and sports facilities	100%
Bio Park Hertfordshire Limited	Provision of facilities management (see below)	100%
UH Global Education (Asia-Pacific) Sdn Bhd	Overseas student recruitment	100%
EValu8 Transport Innovations Limited	Dissolved 23 July 2019	Limited by guarantee
Corporate Fit Science Limited	Dissolved 23 July 2019	100%
Cimtech Limited	Dissolved 23 October 2018	100%
Fit Corporation Limited	Dissolved 30 July 2019	100%
Unisecure Limited	Dissolved 23 October 2018	100%
UH Recordings Limited	Dissolved 23 October 2018	100%
Uno Buses (Hertfordshire) Limited	Dissolved 27 November 2018	100%

The subsidiary companies of Exemplas Holdings Limited (all of which are registered in England and Wales) are wholly owned and are as follows:

Company	Nature of business	% shareholding
Exemplas Limited	Provision of services to business	100%
Exemplas Trade Services Limited	Provision of services to business	100%
Metropolitan Enterprises Limited	Dissolved 16 July 2019	100%

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

During the year it was decided that Bio Park Hertfordshire Limited would cease trading in early 2020. The accounts of that entity have been prepared on a break-up basis.

Strategic Report and Financial Statements 2018–19

Notes to the accounts

16. 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.

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 the University of Northampton.

Exemplas Holdings Limited has a 50% shareholding in Enterprise Growth Solutions Limited. The remaining 50% of shares are held by REED in Partnership Limited.

The above investments are treated as joint ventures and are accounted for using the equity method with 50% of the gross assets and liabilities of each entity being recorded in the consolidated balance sheet and 50% of its net income reported in the consolidated statement of comprehensive income.

16. Investment in joint ventures continued

	University Campus St Albans Limited	Uno Buses (Northampton) Limited	Enterprise Growth Solutions Limited	Total
	2019			
	£'000	£'000	£'000	£'000
Group				
Statement of comprehensive income				
Income	213	1,485	2,440	4,138
Surplus/(deficit) before tax	(54)	57	128	131
Balance sheet				
Fixed assets	1	87	-	88
Current assets	152	219	1,147	1,518
Creditors: amounts falling due within one year	(18)	(135)	(354)	(507)
Creditors: amounts falling due after more than one year	-	(88)	(37)	(125)
Share of net assets	135	83	756	974
	2018			
	£'000	£'000	£'000	£'000
Group				
Statement of comprehensive income				
Income	370	1,458	2,175	4,003
Surplus before tax	36	3	120	159
Balance sheet				
Fixed assets	1	134	-	135
Current assets	204	391	1,066	1,661
Creditors: amounts falling due within one year	(17)	(399)	(375)	(791)
Creditors: amounts falling due after more than one year	-	(100)	(37)	(137)
Share of net assets	188	26	654	868

17. Stock

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Finished goods	335	93	383	147
	335	93	383	147

Strategic Report and Financial Statements 2018–19

Notes to the accounts

18. Trade and other receivables

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Amounts falling due within one year:					
Research grants receivable		1,350	1,312	1,242	1,213
Other trade receivables		10,565	9,565	11,178	9,641
Other receivables		503	32	800	28
Prepayments and accrued income		9,353	6,639	7,895	5,693
Amounts due from subsidiaries		-	4,652	-	2,085
Amounts due from related undertakings		153	2	176	-
Derivatives	22	-	-	161	-
		21,924	22,202	21,452	18,660
Amounts falling due after more than one year:					
Amounts due from subsidiaries		-	-	-	2,460
		21,924	22,202	21,452	21,120

A deferred tax asset of £630,000 (2018: £463,000) 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

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Short-term deposits	34,701	34,701	30,168	30,168
	34,701	34,701	30,168	30,168

20. Creditors: amounts falling due within one year

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Unsecured loans		2,040	2,040	2,008	2,008
Obligation under finance leases		521	-	495	-
Service concession arrangements	13	273	273	273	273
Trade payables		9,789	8,893	13,121	12,067
Other payables		3,375	2,904	3,671	3,202
Social security and other taxation payable		3,660	3,141	3,664	3,111
Amounts due to subsidiaries		-	1,792	-	852
Amounts due to related undertakings		89	-	79	-
Accruals and deferred income		48,120	44,142	45,162	40,563
Derivatives	22	24	-	-	-
		67,891	63,185	68,473	62,076

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

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Research grants received on account	756	756	443	443
Other grant income	19	19	193	193
	775	775	636	636

Strategic Report and Financial Statements 2018–19

Notes to the accounts

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

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Deferred income		28,344	28,264	27,237	26,878
Service concession arrangements	13	3,543	3,543	3,816	3,816
Obligation under finance leases		9,866	-	10,387	-
Unsecured loans		51,723	51,723	53,764	53,764
		93,476	83,530	95,204	84,458

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.

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of unsecured loans				
Due within one year or on demand	2,040	2,040	2,008	2,008
Due between one and two years	2,087	2,087	2,040	2,040
Due between two and five years	6,537	6,537	6,391	6,391
Due in five years or more	43,099	43,099	45,333	45,333
Due after more than one year	51,723	51,723	53,764	53,764
Total unsecured loans repayable by 2043	53,763	53,763	55,772	55,772

All the unsecured loans are bank loans borrowed by the University:

	Amount	Term	Interest
	£'000		rate %
	4,128	2032	5.42
	2,610	2030	Base + 0.16
	6,905	2042	5.38
Unsecured loans	1,937	2042	5.15
	16,951	2042	4.53
	16,167	2043	Libor + 0.60
	5,065	2037	Base + 0.16
Total unsecured loans	53,763		

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

	2019	2018
	Group	Group
	£'000	£'000
Analysis of finance lease obligations		
Due within one year or on demand	521	495
Due between one and two years	549	521
Due between two and five years	1,824	1,733
Due in five years or more	7,493	8,133
Due after more than one year	9,866	10,387
Total obligations under finance lease	10,387	10,882

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

22. Financial instruments

	Notes	2019		2018	
		Group	University	Group	University
		£'000	£'000	£'000	£'000
Financial assets					
Measured at fair value through income and expenditure					
Investments in common investment funds	14	2,973	133	2,761	118
Derivative financial instruments	18, 25	-	-	161	-
Debt instruments measured at amortised cost					
Long-term loans receivable	18	-	-	-	2,460
Investments					
Non-current investments	14	7,931	67,107	7,592	67,301
Current asset unlisted investments	19	34,701	34,701	30,168	30,168
Measured at undiscounted amount receivable					
Trade and other receivables	18	11,221	14,251	12,154	11,754
		56,826	116,192	52,836	111,801
Financial liabilities					
Measured at amortised cost					
Loans payable	20,21	53,763	53,763	55,772	55,772
Obligation under finance leases	20,21	10,387	-	10,882	-
Obligation under service concession arrangements	20,21	3,816	3,816	4,089	4,089
Measured at undiscounted amount payable					
Trade and other creditors	20,21	16,913	16,730	20,535	19,232
Measured at fair value through income and expenditure					
Derivative financial instruments	20,25	24	-	-	-
		84,903	74,309	91,278	79,093

Derivative financial instruments

A subsidiary company, Universitybus Limited, has entered into commodity swaps for the period to October 2019. 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.

Strategic Report and Financial Statements 2018–19

Notes to the accounts

23. Provision for liabilities

	Obligation to fund deficit on USS pension	Defined benefit obligation	Total pension provisions	Other provisions	Total
	£'000	£'000	£'000	£'000	£'000
Group					
At 1 August 2018	855	12,975	13,830	423	14,253
Utilised in year	(31)	(8,839)	(8,870)	(20)	(8,890)
Increase in provision	1,707	36,567	38,274	-	38,274
At 31 July 2019	2,531	40,703	43,234	403	43,637
University					
At 1 August 2018	855	14,049	14,904	403	15,307
Utilised in year	(31)	(8,662)	(8,693)	-	(8,693)
Increase in provision	1,707	35,316	37,023	-	37,023
At 31 July 2019	2,531	40,703	43,234	403	43,637

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.

The adoption of the new deficit recovery plan following the 2017 actuarial valuation has given rise to a significant increase in the deficit provision which has increased from £855,000 to £2,531,000. £1,681,000 of this increase is attributable to the change in the deficit contributions contractual commitment.

Since the year-end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 32.

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 30.

Other provisions

The balance carried forward at 31 July 2019 represents the VAT capital goods scheme provision and reflects the current estimate of the VAT liability payable over the next ten years on costs incurred in the construction and refurbishment of various properties within the Group's estate.

24. Endowments

		Restricted permanent	Unrestricted permanent	2019 Total	2018 Total
	Notes	£'000	£'000	£'000	£'000
Group					
Balance at 1 August					
Capital		1,700	574	2,274	2,631
Accumulated income		216	172	388	380
		1,916	746	2,662	3,011
New endowments					
	6	-	-	-	3
Reclassification to income funds					
		-	-	-	(485)
Investment income					
	5	54	8	62	61
Expenditure					
		(57)	-	(57)	(53)
Increase in market value of investments					
		152	15	167	125
Balance at 31 July		2,065	769	2,834	2,662
Represented by:					
Capital		1,852	589	2,441	2,274
Accumulated income		213	180	393	388
Total		2,065	769	2,834	2,662
Analysis by type or purpose:					
Scholarships and bursaries		2,065	-	2,065	1,916
General		-	769	769	746
		2,065	769	2,834	2,662
Analysis by asset:					
Current and non-current investments		1,775	133	1,908	1,740
Cash and cash equivalents		290	636	926	922
		2,065	769	2,834	2,662

Strategic Report and Financial Statements 2018-19

Notes to the accounts

24. Endowments continued

		Unrestricted permanent	2019 Total	2018 Total
	Notes	£'000	£'000	£'000
University				
Balance at 1 August				
Capital		574	574	563
Accumulated income		172	172	165
		746	746	728
Investment income	5	8	8	7
Increase in market value of investments		15	15	11
Balance at 31 July		769	769	746
Represented by:				
Capital		589	589	574
Accumulated income		180	180	172
Total		769	769	746
Analysis by type or purpose:				
General		769	769	746
		769	769	746
Analysis by asset:				
Current and non-current investments		133	133	118
Cash and cash equivalents		636	636	628
		769	769	746

25. Restricted reserves

		Hedging reserve	Donations	2019 Total	2018 Total
	Notes	£'000	£'000	£'000	£'000
Group					
Balance at 1 August		161	1,014	1,175	1,133
Donations		-	354	354	550
Expenditure		-	(781)	(781)	(544)
Investment income		-	2	2	2
Gains on investments		-	4	4	3
Transfer from unrestricted reserves		-	2	2	7
Change in fair value of hedging financial instruments	22	(185)	-	(185)	24
Total restricted comprehensive (expenditure)/income for the year		(185)	(419)	(604)	42
Balance at 31 July		(24)	595	571	1,175
Analysis of donations by type or purpose:					
Scholarships and bursaries			143	143	126
Research support			402	402	709
Other			50	50	179
			595	595	1,014
University					
Balance at 1 August			200	200	244
Donations			351	351	232
Expenditure			(397)	(397)	(276)
Total restricted comprehensive expenditure for the year			(46)	(46)	(44)
Balance at 31 July			154	154	200
Analysis of donations by type or purpose:					
Research support			154	154	200
			154	154	200

Strategic Report and Financial Statements 2018–19

Notes to the accounts

26. Capital commitments

Provision has not been made for the following capital commitments:

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Contracted at 31 July	4,806	4,806	5,303	4,577
Authorised but not contracted at 31 July	7,055	7,055	11,959	11,959
	11,861	11,861	17,262	16,536

27. Lease obligations

	2019			2018
	Land and buildings	Plant and machinery	Total	Total
	£'000	£'000	£'000	£'000
Group				
Payable during the year	18,728	768	19,496	18,729
Future minimum lease payments due:				
Within one year	19,436	598	20,034	19,338
Between one and five years	370	1,036	1,406	1,640
More than five years	34	-	34	37
Total lease payments due	19,840	1,634	21,474	21,015
University				
Payable during the year	20,521	171	20,692	20,031
Future minimum lease payments due:				
Within one year	21,222	134	21,356	20,679
Between one and five years	3,942	268	4,210	6,286
More than five years	34	-	34	37
Total lease payments due	25,198	402	25,600	27,002

28. Related parties

Name of related party and relationship	Nature of transaction	2019		2018	
		Income	Expenditure	Income	Expenditure
		£'000	£'000	£'000	£'000
Uno Buses (Northampton) Limited Joint venture	Management fee and staff recharges	30	676	57	538
Enterprise Growth Solutions Limited Joint venture	Management fee and staff recharges	674	4	334	-
University Campus St Albans Limited Joint venture	Grant funding; management fee and academic related charges	258	-	219	50
Uliving@Hertfordshire plc Professor I G Campbell, Deputy Vice-Chancellor of the University, and Mrs S C Grant, Secretary and Registrar of the University, are directors	Student residences rent and facilities	165	19,013	155	19,895
Alexander Dennis plc Mr S Clayton, director of subsidiary company Universitybus Limited until 31 December 2018 is a director	Purchase of goods and services	-	27	-	87
Oaklands College Further Education Corporation Mrs S C Grant, Secretary and Registrar of the University, is a governor	Transport services; grant funding to associate college	250	1	193	1,042
Southern Universities Management Services Mrs S C Grant, Secretary and Registrar of the University, is a director	Subscription	-	38	-	37
University of Hertfordshire Students' Union Mr A Jolly, governor of the University, is President	Student's Union subvention grant, rent and other service charges	989	2,125	1,012	2,074
Universities UK Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Subscription	-	43	-	44
University Alliance Professor Q A Mckellar, Vice-Chancellor of the University, is a member	Payroll costs and subscription	153	49	850	70
Hertfordshire Local Enterprise Partnership Professor Q A Mckellar, Vice-Chancellor of the University, is a board member	Rent and grant funding	757	-	135	-
Mr Gordon Morrison A governor of the University until 31 August 2018	Research income	36	-	31	-
Stephensons of Essex Limited Mr W Hiron, director of subsidiary company Universitybus Limited is a director	Sale of goods	35	-	-	-

Strategic Report and Financial Statements 2018–19

Notes to the accounts

28. Related parties continued

Name of related party	2019		2018	
	Debtor	Creditor	Debtor	Creditor
	£'000	£'000	£'000	£'000
Uno Buses (Northampton) Limited	34	89	84	78
Enterprise Growth Solutions Limited	88	-	56	-
University Campus St Albans Limited	-	-	219	-
Uliving@Hertfordshire plc	-	1,217	-	1,786
Alexander Dennis plc	-	-	-	6
Oaklands College Further Education Corporation	22	-	20	1
University of Hertfordshire Students' Union	-	8	10	3
University Alliance	-	-	59	100
Hertfordshire Local Enterprise Partnership	75	-	57	-

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

29. Connected charitable institutions

UH Trust and the University of Hertfordshire Charitable Trust are connected charitable institutions of the University of Hertfordshire and, under paragraph 28 of Schedule 3 to the Charities Act 2011, are exempt from registration with the Charity Commission.

UH Trust, a company limited by guarantee, started its operations on 10 February 2014 upon the transfer of the assets and business from the University of Hertfordshire Charitable Trust. The permanent endowments were not transferred and have remained in the University of Hertfordshire Charitable Trust with UH Trust as its sole trustee.

The charities were 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 activities of UH Trust and the University of Hertfordshire Charitable Trust, as summarised below, are consolidated into the Group accounts.

	At 1 August 2018	Income	Expenditure	Change in market value	At 31 July 2019
	£'000	£'000	£'000	£'000	£'000
UH Trust	3,727	452	(888)	247	3,538

Major donors to the Group during the year include:

The Garfield Weston Foundation
Santander Universities

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.

Internally, the UH Trust Board meets regularly through the year to consider strategic issues and areas of activity, including grant making, investment, reserves and risk management policies and performance. It ensures 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.

Strategic Report and Financial Statements 2018–19

Notes to the accounts

30. Pension schemes

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS).

The University also participates in Universities Superannuation Scheme (USS) for designated employees.

Universitybus Limited and Polyfield Property Limited participate in NEST, 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. Universitybus Limited also provides a group Life Assurance Scheme for employees who are not members of the LGPS. Exemphas Holdings Limited operates a group administered defined contribution personal pension plan, for those employees who are not members of LGPS.

	Notes	Employer contributions	Provision movement	Total	Employer contributions	Provision movement	Total
		2019			2018		
		£'000	£'000	£'000	£'000	£'000	£'000
Group							
TPS		8,379	-	8,379	8,131	-	8,131
LGPS		8,839	2,491	11,330	8,636	3,161	11,797
USS		411	1,650	2,061	393	(17)	376
Other		538	-	538	430	-	430
	7	18,167	4,141	22,308	17,590	3,144	20,734
University							
TPS		8,379	-	8,379	8,131	-	8,131
LGPS		8,054	2,480	10,534	7,865	3,137	11,002
USS		411	1,650	2,061	393	(17)	376
Other		37	-	37	30	-	30
	7	16,881	4,130	21,011	16,419	3,120	19,539

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). Whilst these regulations primarily apply to teachers in schools and other educational establishments, lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The TPS Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay-as-you-go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

Valuation

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location: <https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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.

Because of the mutual nature of the scheme, 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 scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The total cost charged to the Consolidated Statement of Comprehensive Income is £2,061,000 (2018: £376,000) as detailed in the summary of pension scheme costs above.

The latest available complete actuarial valuation of the Retirement Income Builder section of the scheme is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. As at the year-end the valuation as at 31 March 2018 was underway but was not yet complete. However, the 2018 actuarial valuation was finalised after the year-end and the revised obligation to fund the deficit under the 2018 valuation is shown in more detail in note 32.

Since the institution cannot identify its share of Retirement Income Builder section of the scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

The 2017 valuation was the fourth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0bn and the value of the scheme's technical provisions was £67.5bn indicating a shortfall of £7.5bn and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below.

Discount rate (forward rates)	Years 1-10: CPI - 0.53% reducing linearly to CPI - 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%
Pension increase (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

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 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

Strategic Report and Financial Statements 2018–19

Notes to the accounts

The current life expectancies on retirement at age 65 are:

	2019 Years	2018 Years
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

The funding position of the scheme has since been updated on an FRS 102 basis:

Scheme assets	£67.4bn	£63.6bn
Scheme liabilities	£79.2bn	£72.0bn
FRS 102 total scheme deficit	£11.8bn	£8.4bn
FRS 102 total funding level	85%	88%

Key assumptions used are:

Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

A new deficit recovery plan was put in place as part of the 2017 valuation and is set out in the new Schedule of Contributions dated 28 January 2019. This requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. In accordance with the requirements of FRS 102 and the SORP, the University has made a provision for this contractual commitment to fund the past deficit. In the prior year, the deficit payments were 2.1% of salaries up to March 2031.

This significant increase in deficit contributions has given rise to a substantial increase in the University's deficit provision which has increased from £855,000 to £2,531,000 as set out in note 23.

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, is an admitted body to the fund, and a number of employees of this company are members of the LGPS. 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.

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	22.20%
Universitybus Limited:	
Employer – weekly paid staff	26.20%
Employer – monthly paid staff	22.20%
Employees	5.50%-12.50%

The estimated employer contribution payable for the year ending 31 July 2020 is £8,341,000.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2016, updated to 31 July 2019 by a qualified independent actuary.

	2019	2018	2017
Financial assumptions			
Inflation and rate of increase in pension	2.20%	2.12%	2.12%
Rate of increase in salaries	2.20%	2.12%	2.00%
Expected return on assets	2.30%	3.00%	2.80%
Discount rate for liabilities	2.30%	3.00%	2.80%

Mortality assumptions

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

	2019 Years	2018 Years
University		
Males currently aged 65 (years)	21.5	22.1
Females currently aged 65 (years)	23.7	25.1
Males currently aged 45 (years)	22.3	23.2
Females currently aged 45 (years)	25.0	26.1
Universitybus Limited		
Males currently aged 65 (years)	17.0	17.0
Females currently aged 65 (years)	19.0	19.0
Males currently aged 45 (years)	18.0	18.0
Females currently aged 45 (years)	20.0	20.0

Strategic Report and Financial Statements 2018–19

Notes to the accounts

The assets in the scheme (of which the Group's share is 5.5%) and the expected rates of return were:

	2019	2018	2017
	£'000	£'000	£'000
Equities	2,658,630	2,482,480	2,832,050
Bonds	1,928,810	1,718,640	1,045,680
Property	417,040	381,920	304,990
Cash	208,520	190,960	174,280
Total market value of assets	5,213,000	4,774,000	4,357,000
	2019	2018	2017
Weighted average expected long-term rates of return:	3.0%	2.8%	2.6%

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.

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of the amount shown in the balance sheet				
Present value of scheme liabilities	(326,140)	(316,994)	(276,558)	(268,839)
Fair value of scheme assets (bid value)	286,359	276,291	264,175	254,790
Deficit in the scheme	(39,781)	(40,703)	(12,383)	(14,049)
Effect of cap on pension surplus	(922)	-	(592)	-
Adjusted deficit in the scheme - net pension liability recorded within pension provisions (note 23)	(40,703)	(40,703)	(12,975)	(14,049)

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
The amounts recognised in the surplus for the year				
Current service cost	11,293	11,105	11,797	11,574
Past service cost (including curtailments)	23	23	-	-
Settlements	14	14	-	-
Total operating charge	11,330	11,142	11,797	11,574
Interest on obligation	8,384	8,153	7,712	7,495
Expected return on scheme assets	(7,976)	(7,695)	(6,680)	(6,441)
Net charge on pension scheme	408	458	1,032	1,054
Total charged to the surplus for the year	11,738	11,600	12,829	12,628

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of other comprehensive income				
Actual return less expected return on pension scheme assets	12,425	11,986	16,698	16,099
Experience gains and losses arising on the scheme liabilities	(115)	(115)	42	42
Change in assumptions underlying present value of the scheme	(36,809)	(35,587)	10,355	10,095
Actuarial (loss)/gain	(24,499)	(23,716)	27,095	26,236
Effect of cap on pension surplus	(330)	-	(592)	-
Total other comprehensive (expenditure)/income	(24,829)	(23,716)	26,503	26,236

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of movement in the scheme deficit				
Deficit in scheme at 1 August	(12,975)	(14,049)	(35,285)	(36,094)
Movement in period:				
Current service cost	(11,293)	(11,105)	(11,797)	(11,574)
Employer contributions	8,839	8,662	8,636	8,437
Past service costs	(23)	(23)	-	-
Effect of settlements	(14)	(14)	-	-
Net interest on assets	(408)	(458)	(1,032)	(1,054)
Actuarial (loss)/gain	(24,499)	(23,716)	27,095	26,236
Deficit in scheme at 31 July	(40,373)	(40,703)	(12,383)	(14,049)
Effect of cap on pension surplus	(330)	-	(592)	-
Adjusted deficit in the scheme - net pension liability recorded within pension provisions (note 23)	(40,703)	(40,703)	(12,975)	(14,049)

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of the movement in the fair value of scheme liabilities				
Defined benefit obligation at 1 August	276,558	268,839	272,024	264,271
Current service cost	11,293	11,105	11,797	11,574
Past service costs	23	23	-	-
Liabilities extinguished on settlements	(2,389)	(2,389)	-	-
Interest cost	8,384	8,153	7,712	7,495
Actuarial loss/(gain)	36,924	35,702	(10,397)	(10,137)
Estimated unfunded benefits paid	(493)	(493)	(487)	(487)
Estimated funded benefits paid	(6,793)	(6,535)	(6,642)	(6,381)
Contributions by members	2,633	2,589	2,551	2,504
Defined benefit obligation at 31 July	326,140	316,994	276,558	268,839

Strategic Report and Financial Statements 2018–19

Notes to the accounts

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Analysis of the movement in the fair value of scheme assets				
Fair value of scheme assets at 1 August	264,175	254,790	236,739	228,177
Expected return on scheme assets	7,976	7,695	6,680	6,441
Actuarial gain	12,425	11,986	16,698	16,099
Contributions by employer	8,346	8,169	8,149	7,950
Contributions in respect of unfunded benefits	493	493	487	487
Assets distributed on settlements	(2,403)	(2,403)	-	-
Estimated unfunded benefits paid	(493)	(493)	(487)	(487)
Estimated funded benefits paid	(6,793)	(6,535)	(6,642)	(6,381)
Contributions by members	2,633	2,589	2,551	2,504
Fair value of scheme assets at 31 July	286,359	276,291	264,175	254,790

	2019		2018	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Actual return on scheme assets				
Expected return on scheme assets	7,976	7,695	6,680	6,441
Asset gain	12,425	11,986	16,698	16,099
Actual return on scheme assets	20,401	19,681	23,378	22,540
Actuarial (loss)/gain relating to changes in financial assumptions	(50,536)	(49,314)	10,355	10,095
Cumulative actuarial loss	(28,126)	(27,346)	(3,297)	(3,630)

	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
History of experience gains and losses					
Difference between the expected and actual return on assets	12,425	16,698	22,645	7,927	7,371
% of scheme assets	4.3%	6.3%	9.6%	3.9%	3.9%
Experience (losses)/gains on scheme liabilities	(115)	42	(3,488)	1,913	844
% of scheme liabilities	0.0%	0.0%	1.3%	(0.7)%	(0.4)%

The actuary has reviewed the impact of the McCloud judgement regarding age discrimination arising from public sector pension scheme transition arrangements and has concluded that there is no known financial impact in respect of the Group's Local Government Pension Schemes at this time. The implications of this judgement on the overall scheme costs are still under review.

During the year the High Court handed down its judgement in the case involving the Lloyds Banking Group's defined benefit pension schemes and the rights of members to equality of treatment in relation to pension benefits. The Court's ruling has made it clear that schemes should be amended to equalise benefits for men and women in respect of guaranteed minimum pension benefits. The extent to which the judgement crystallises additional liabilities of the schemes of the University of Hertfordshire and Universitybus Limited is still under consideration and at present, we are unable to quantify the financial effect of this.

31. The 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 that were 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	Local Authority	Other public sector income	Non-public sector income	2019
	£'000	£'000	£'000	£'000	£'000
Income					
Revenue grant income	804	81	184	-	1,069
Other income	97	20	131	4	252
Total income	901	101	315	4	1,321
Expenditure					
Staff costs	519	6	54	-	579
External activity providers	244	89	150	2	485
Rent and facility hire	54	-	23	-	77
Marketing	6	-	8	-	14
Other expenditure	52	1	29	8	90
Total expenditure	875	96	264	10	1,245
Net income/(expenditure)	26	5	51	(6)	76

	2018				
	£'000	£'000	£'000	£'000	£'000
Income					
Revenue grant income	745	79	-	435	1,259
Other income	5	-	-	31	36
Total income	750	79	-	466	1,295
Expenditure					
Staff costs	476	-	-	-	476
External activity providers	382	71	-	278	731
Rent and facility hire	62	-	-	7	69
Marketing	17	-	-	21	38
Other expenditure	69	8	-	52	129
Total expenditure	1,006	79	-	358	1,443
Net (expenditure)/income	(256)	-	-	108	(148)

Income includes £nil (2018: £36,000) grant receivable from the University.

Expenditure includes £32,000 (2018: £62,000) payable to the University and £57,000 (2018: £67,000) to other group companies in respect of rent, facility hire and other expenditure.

Strategic Report and Financial Statements 2018–19

Notes to the accounts

32. Post Balance Sheet Event

A recovery plan exists between the University and the Universities Superannuation Scheme (USS) to fund the overall deficit in this pension scheme. A liability exists for the contributions payable that arise from this agreement and a corresponding expense is recognised in the statement of comprehensive income. The liability at the balance sheet date is based on the 2017 valuation of the USS scheme as the 2018 valuation had not been finalised by the end of the reporting period.

Since the year-end, the 2018 actuarial valuation has been completed, indicating an overall shortfall of £3.6 bn and a funding ratio of 95%. A new deficit recovery plan has now been agreed, which amends the existing deficit recovery plan as set out in the Schedule of Contributions per the 2017 valuation. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

As at 31 July 2019 and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised provision of £1,337,000, a decrease of £1,194,000 from the current year-end provision as detailed in note 23.

Board of Governors

Independent Members

Dr L Drummond (Chair) (Member from 01/09/2018 and Chair from 01/09/2019)
 Mr R Beazley (Chair and Member to 31/08/2019)
 Dr D Amin (from 01/09/2018)
 Dr J Blake
 Mr C A Hughes (to 26/03/2019)
 Professor A J Hunter (to 31/08/2019)
 Dr J M Knott (to 31/08/2019)
 Mr D Konotey-Ahulu
 Ms I Nisbet
 Mr J Steel
 Mr R Voss
 Mrs C Ward (from 01/09/2018)
 Mr N Willott (from 01/09/2018)

Vice-Chancellor

Professor Q A McKellar

Member nominated by the Academic Board

Dr L Mitchell (to 31/08/2019)

Students' Union

Mr A Jolly (to 31/05/2019)
 Ms R Shafqat (from 01/06/2019)

Co-opted members

Professor Dame Julia Goodfellow
 Mrs T Goldlaing

During the year, the following committees had a direct responsibility for the financial activities of the University:

Audit and Risk Committee

Mr N Willott (Chair) (Member from 01/09/2018 and Chair from 07/10/2019)
 Ms I Nisbet (Member from 01/09/2018 and Chair from 01/09/2018 to 06/10/2019)
 Dr J Blake
 Dr L Drummond (from 01/09/2018 to 31/08/2019)
 Professor Dame Julia Goodfellow (from 01/09/2019)
 Dr J M Knott (to 31/08/2019)
 Dr L Mitchell (to 31/08/2019)

Employment, Remuneration, Governance and Nominations Committee

Ms I Nisbet (Chair) (Chair from 07/10/2019)
 Mrs C Ward (Member from 01/09/2018 and Chair from 01/09/2019 to 06/10/2019)
 Dr J M Knott (Chair and Member from 01/09/2018 to 31/08/2019)
 Dr D Amin (from 01/09/2019)
 Mr R Beazley (to 31/08/2019)
 Dr L Drummond (from 01/09/2018)
 Professor Dame Julia Goodfellow
 Professor Q A McKellar
 Mr J Steel (from 01/09/2018)
 Mr N Willott (from 07/10/2019)

Finance Committee

Mr J Steel (Chair) (from 01/09/2018)
 Dr D Amin (from 01/09/2018)
 Mr R Beazley (to 31/08/2019)
 Mr C A Hughes (to 26/03/2019)
 Professor A J Hunter (to 31/08/2019)
 Mr D Konotey-Ahulu
 Professor Q A McKellar
 Mr R Voss

Vice-Chancellor's Remuneration Committee (established 01/09/2018)

Ms I Nisbet (Chair) (Chair from 07/10/2019)
 Mrs C Ward (Member from 01/09/2018 and Chair from 01/09/2019 to 06/10/2019)
 Dr J M Knott (Chair) (Chair and Member to 31/08/2019)
 Dr D Amin (from 01/09/2019)
 Mr R Beazley (to 31/08/2019)
 Dr L Drummond
 Professor Dame Julia Goodfellow
 Mr N Willott (from 07/10/2019)

Advisers

Bankers Barclays Bank plc, St Albans
Auditors BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA
Solicitors Mills and Reeve LLP, Botanic House, 100 Hills Road, Cambridge CB2 1PH

Officers appointed by the Board

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 institution, 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 and Chief Executive of the Moredun Foundation. In 2004, he was appointed Principal of The Royal Veterinary College of the University of London.

Professor McKellar was Chair of the Board of Trustees of The Pirbright Institute until 2019 and is a member of the Hertfordshire Local Enterprise Partnership. In 2015 he was elected as a Board member of Universities UK and was Chair of the University Vocational Awards Council until 2019.

Professor McKellar was made a Commander of the Order of the British Empire (CBE) in 2011 for services to science. He has a reputation as a distinguished researcher with interests in the pharmacology of anti-infective and anti-inflammatory drugs in domestic animals.

Professor Ian Campbell

Deputy Vice-Chancellor
BSc MSc PhD

Professor Campbell is a professor of applied physiology. He joined the University of Hertfordshire in September 2013 as Deputy Vice-Chancellor.

As the sole Deputy Vice-Chancellor, he was engaged in all strategic and operational decisions which underpin the positioning and success of our University.

He also regularly deputised for the Vice-Chancellor in relation to both internal and external affairs.

Professor Campbell had overall responsibility for the strategic development of all academic areas through his management of all Deans of School, his Chairmanship of the Academic Development Committee and his coordination of the annual University planning process. Prior to coming to the University, he had been Pro Vice-Chancellor at Brunel University since 2008, where he was responsible for a number of key functions including student experience, staff development, learning and teaching, and external relations.

Professor Campbell has an international research reputation relating to the physiology of athletes with spinal cord injuries. He has a strong track record of international research outputs, and has been invited to give presentations in China, the USA, Europe and the UK. His work has attracted external funding and media attention because of its impact.

Professor Campbell took up the post of Vice-Chancellor at Liverpool John Moore's University in October 2019.

Sue Grant

Secretary and Registrar
BSc FAUA

Sue joined the University of Hertfordshire in May 1983. She was the Academic Registrar from 2004 until her appointment as Secretary and Registrar in 2013. She is responsible for the management and operation of our Board of Governors and Academic Board. Sue has responsibility for legal and compliance matters relating to the University Group. She is the executive lead for Human Resources, Academic Registry, Dean of Students, Health and Safety, Audit, Equality, Planning Development and Internal Change, and is the Head of Administration.

At a national level, Sue has been Chair of the Academic Registrars Council, a position from which she stepped down on becoming Secretary and Registrar of the University. This involved working with higher education institutions across the sector and with the Department for Business, Innovation and Skills, Universities UK and the Home Office.

She is currently the University's representative with the Association of Heads of University Administration. She is also a director of Uliving@Hertfordshire, Southern Universities Management Services and chair of the Board of Oaklands College Further Education Corporation.

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. He is a director of UH Holdings Limited, which oversees the commercial subsidiaries in the Group, and is also a director of many of our subsidiary companies.

He is joint chair of the London and South-East British Universities Finance Directors' Group (BUFDG) and sits on the national BUFDG executive which influences national policy within the HE sector. He is a Fellow of the Chartered Institute of Management Accountants and joined the University 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.



Group left to right: Sue Grant, Alistair Moffat, Professor Quintin McKellar CBE, Professor Ian Campbell

University of Hertfordshire **UH**

Main Reception

Main Reception

Gold

University of Hertfordshire
Hatfield, UK
AL10 9AB

herts.ac.uk

HS/0706/1119