



**STRATEGIC REPORT AND  
FINANCIAL STATEMENTS**  
**2021-22**







## Governors and advisers

### Board of Governors

#### Vice-Chancellor

Professor Q McKellar

#### Independent Members

Dr L Drummond (Chair)  
Dr D Amin  
Dr J Blake  
Mrs Janet Bohrer  
Mr R Macnaughton  
Mr R Singh  
Mr J Steel (term completed 31 August 2022)  
Ms L Titcomb  
Mrs K Trew (appointed 1 September 2022)  
Mr R Voss (term completed 31 August 2022)  
Mr L Wallace (appointed 1 September 2022)  
Dr J Walmsley (appointed 1 September 2022)  
Mrs C Ward  
Mr D Williams  
Mr N Willott

### Finance Committee

Mr J Steel (Chair) (term completed 31 August 2022)  
Mr D Williams (Chair)  
Dr D Amin  
Dr L Drummond  
Mr A Kypreos  
Professor Q McKellar  
Mr R Voss (term completed 31 August 2022)  
Dr J Walmsley (appointed 1 September 2022)

### Employment, Remuneration, Governance and Nominations Committee

Ms L Titcomb (Chair)  
Dr D Amin  
Dr L Drummond  
Professor Dame J Goodfellow (term completed 31 August 2022)  
Professor Q McKellar  
Mr R Singh  
Mr J Steel (term completed 31 August 2022)  
Mrs C Ward  
Mr D Williams  
Mr N Willott

### Advisers

#### Bankers

Barclays Bank plc, St Albans

#### Auditors

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

#### Member nominated

##### by the Academic Board

Dr T Gilbert (term completed 31 August 2022)  
Dr J Carlton (appointed 1 September 2022)

#### Students' Union

Ms R Ellis

#### Co-opted members

Mr O Fatilewa (appointed 1 September 2022)  
Professor Dame J Goodfellow (term completed 31 August 2022)  
Mr A Hall (appointed 1 September 2022)  
Mr A Kypreos  
Professor P Layzell (appointed 1 September 2022)  
Ms R Patel (term completed 31 August 2022)

### Audit and Risk Committee

Mr N Willott (Chair)  
Dr J Blake  
Mrs J Bohrer  
Professor P Layzell (appointed 1 September 2022)  
Mr R Macnaughton  
Ms R Patel (term completed 31 August 2022)  
Mr R Singh

### Vice-Chancellor's Remuneration Committee

Ms L Titcomb (Chair from 1 September 2022)  
Dr D Amin  
Dr L Drummond  
Professor Dame J Goodfellow (term completed 31 August 2022)  
Mr R Singh  
Mrs C Ward  
Mr D Williams (ex officio since 1 September 2022)  
Mr N Willott

## Officers appointed by the Board

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

### **Professor Quintin McKellar CBE**

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

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

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

In 2015 he was elected as a Board member of Universities UK (UUK) and in 2020 was appointed as UUK Vice-President (England and Northern Ireland). In 2021 Quintin was elected as a Board member of Advance HE. Since 2018 he has been a Non-Executive Director of the Centre for Innovation Excellence in Livestock.

He was made a Commander of the Order of the British Empire (CBE) in 2011 for services to science.

### **Professor Julie Newlan MBE**

Deputy Vice-Chancellor

Professor Newlan was appointed Deputy Vice-Chancellor in February 2022. She was previously Pro Vice-Chancellor for Business and International Development.

She is engaged in all strategic and operational decisions which underpin the positioning and success of the University.

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

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

Julie was made a Member of the Most Excellent Order of the British Empire (MBE) in 2014 for her services to higher education.

### **Sharon Harrison-Barker**

Secretary and Registrar

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

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

### **Alistair Moffat**

Group Finance Director  
BA FCMA CGMA

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

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

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

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



This marks my third year as Chair of the Board of Governors. During that time, the sector has faced unprecedented challenges due to the pandemic and the period of economic uncertainty which has followed.

Once again, I am reflecting on another year with great pride about what the University of Hertfordshire has managed to achieve. Our resilience and drive have not faltered and this is reflected in our performance and achievements over the past year.

The wellbeing and success of our students and staff is always at the heart of what we do. As the University community pulled together to return to more normal ways of working, I am proud of the support we provided to all our students and staff who were affected by the pandemic.

We are continuing to focus on our 2020–2025 Strategic plan. Despite the shifting economic landscape since this was launched, our commitment to delivery of flexible, high-quality education, research, partnerships and enterprise remains firm. Some of our successes over the last 12 months are testament to the strength of our strategy and of the hard work and commitment of our people.

Some highlights for me include our incredible Research Excellence Framework (REF) 2021 results. We made the biggest jump in research impact across the higher education sector placing us in the top 25% nationally at 32nd, the highest position for a post-92 university. We have also enjoyed significant success in the league tables, with overall rankings improving and many courses rightly recognised as among the very best in the UK.

It has also been fantastic to be able to attend events and meet colleagues in person after the pandemic, including the wonderful event to celebrate the renaming of our Law Court Building in honour of our esteemed alumna Dr Grace Ononiwu CBE. The atmosphere was so uplifting and positive; the Grace Ononiwu Law Court Building reflects Grace's outstanding contribution to the justice and legal system and the values we share with our alumni community.

I've also thoroughly enjoyed visiting many of our Schools and Strategic Business Units over the past year to learn more about their work and contribution to our success and progress. Each member of our Herts community has had a part to play in ensuring we make a difference, and I would like to express my deepest gratitude and pride in what we have accomplished together.

**Dr Lynn Drummond**  
**Pro Chancellor and Chair of**  
**the Board of Governors**



# Introduction

## by the Vice-Chancellor and Chief Executive



Higher education has seen another year of uncertainty due to rising costs and the effects of the pandemic. Herts is not immune but through careful financial management, we continue to remain financially sustainable and are well-placed to face the uncertainties ahead.

While the consequences of the pandemic created challenges for home undergraduate student recruitment, 2021/2022 saw a year of substantial growth in our international market. Growth in key regions across the globe including Bangladesh and Malaysia, particularly at postgraduate level, has helped to support an outstanding year.

As a community we embrace these challenges and celebrate the deep curiosity that ignites the spark of life-changing innovation. We take great pride in being part of a community which is supportive, respectful, inclusive and collaborative, working in partnership to maximise the potential of everyone who studies and works here, and those who partner with us.

The sector will face changes made to research funding allocations in the next financial year by the Department for Business Energy and Industrial Strategy, and the Office for Students (the regulatory body) have confirmed the figures required to measure quality for student outcomes. Our strategic plan is in place to navigate these changes.

Despite the challenges we face, we have so many achievements to celebrate. For the fifth consecutive year we have achieved above the sector average for Student Voice (69.81%) in the recent National Student Survey; we climbed 21 places in the Research Excellence Framework rankings; we are ranked in the Top 10 in the Postgraduate Taught Experience Survey, and our Black, Asian, Minority Ethnic satisfaction levels are at 82%, 3% higher than the global average according to the Postgraduate Research Experience Survey. We have also made significant progress on our strategic aim to reduce, and ultimately eliminate, the BAME awarding gap.

This year we celebrate 70 years as an institution and we are incredibly proud of everything we have achieved. Since we opened our doors, we have excelled at partnering with business to deliver talented graduates ready for employment. We understood then what employers wanted, and today our vision remains unchanged.

As we continue to respond to the needs of industry and students, construction has started on a new home for our School of Physics, Engineering and Computer Science using highly sustainable modern methods of construction, set to open in 2024. This new facility will continue to enhance learning and teaching for our students and provide a hub for businesses to access a high technology environment, where collaboration and innovation can further enhance commercial capabilities.

The success of Herts is only possible due to the hard work and dedication of our students, staff and partners and I want to take this opportunity to thank our community.

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

# Year at a glance

## AUGUST 2021

### **Ambitious alumni entrepreneur secures a £300k grant to develop his biotech business**

International Business graduate Heraldas is co-founder and CEO of an early-stage biotech start-up, ACellZ, and focuses on chemical safety in the eye. He secured £300k from Innovate UK to support the development of ACellZ and to advance the commercialisation of the technology.



## SEPTEMBER 2021

### **Graduates win prestigious UK video game awards**

Two of our graduates Will Murray and Lois Starkey and postgraduate student Makhosethu Sibanda, were awarded Graduate of the Year and Postgraduate of the Year by TIGA (The Independent Game Developers' Association). These awards are given to 30 of the UK's best graduates and postgraduate students in gaming.



## OCTOBER 2021

### **Hertfordshire Business School student wins prestigious bursary from Deloitte**

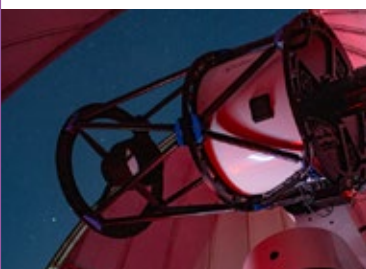
Accounting and Finance student Kenisha Anderson was selected for a new bursary within Deloitte's 5 Million Future programme. The scheme has been designed for students of BAME heritage and from socio-economically disadvantaged backgrounds, to support their ambitions to carve out a successful future.



## NOVEMBER 2021

### **One of the largest telescopes for students in the UK is installed at Bayfordbury Observatory**

The new Planewave CDK24 telescope is one of the largest telescopes available to undergraduates and postgraduates in the UK. There are only two other telescopes like this in the country that are routinely used by students.



## DECEMBER 2021

### **Herts nurse wins prestigious award from Queen's Nursing Institute**

Irene Boham, Occupational Health Manager at Herts, won the prestigious Queen Elizabeth the Queen Mother Award for Outstanding Service. The award is given to community nurses who provide exceptional care to their patients and have a continuing passion and enthusiasm for nursing, demonstrating a high level of commitment.



## JANUARY 2022

### **Construction begins on landmark new development at the University of Hertfordshire**

The five-storey multi-purpose teaching, research and enterprise space for the School of Physics, Engineering and Computer Science will enhance learning and teaching for students. It will also provide a hub for businesses to access a high technology environment where collaboration and innovation can further enhance commercial capabilities.





## FEBRUARY 2022

### New research linking poor sleep and diabetes

Researchers at Herts have found a significant link between poor sleep and a greater risk of pre-diabetic patients developing type two diabetes. The study asked patients referred to the NHS-funded Healthier You: National Diabetes Prevention Programme a series of questions to evaluate their sleeping patterns.



## MARCH 2022

### University of Hertfordshire apprentice wins national manufacturing "rising star" award

Josephine Ready, who is in the third year of her Business Management Degree Apprenticeship, and works for Stevenage based company MBDA, was announced as the winner of 'Business Apprentice of the Year: Rising Star' in the Make UK Manufacturing Awards.



## APRIL 2022

### University of Hertfordshire engineer selected for prestigious award lecture

The British Science Association awarded Dr Amit Pujari, Biomedical Engineer at Herts, the 2022 Award Lecture winner in the Engineering, Technology and Industry category. He will discuss sensory and motor deficits in stroke and spinal injury survivors, a leading cause of disability in millions of people worldwide.



## MAY 2022

### Highest rise of any university in research impact in latest REF results

We made the biggest jump in research impact results across the higher education sector in the 2021 Research Excellence Framework (REF), placing us in the top 25% nationally at 32nd, the highest position for a post-92 university.



## JUNE 2022

### Complete University Guide league table

We jumped 12 places in the 2023 Complete University Guide league table, and now sit at 68th in the country, the third highest riser in the East of England this year.

We are ranked 5th in the East of England in five subject areas.



## JULY 2022

### Renaming of the Law Court Building

Our Hertfordshire Law School celebrated the renaming of the Law Court building (the Grace Ononiwu Law Court Building) after alumna Dr Grace Ononiwu CBE, patron of our Law Clinic and the first Afro-Caribbean person to serve as Chief Crown Prosecutor in the UK.



# Strategic report

The University of Hertfordshire transforms lives by finding, inspiring and powering potential; giving everyone the opportunity to succeed regardless of their role, background, or where they are from.

In the 1950s, we started training engineers for Britain's pioneering aviation industry. We understood then exactly what skills employers needed, and our vision is unchanged; we have remained an enterprising and innovative force in education ever since. Today, we have a thriving community of just under 32,000 students from 140 countries, who study 550 flexible and career focused degree options across our two campuses and Bayfordbury Observatory. We continue to make a significant contribution to the regional, national and international skills landscape.

Our students are taught by lecturers with a wealth of experience, both in academic settings and across a breadth of industries. Their expertise, connections and supportive approach equip students with the right skills and confidence to thrive in their future careers.

With an open mind and commitment to protecting people and the planet, no problem is too great for a Herts researcher to explore. We collaborate on inter-disciplinary projects with international agencies, industry, the public sector and other Universities around the world; our partnerships always have the shared aim of improving people's lives. Whether our researchers are safeguarding older people's food security, or tackling the climate emergency, they are powered by curiosity, with the drive to make a difference.



Within our University Enterprise Zone we have formed clusters of excellence that respond to regional and national demands.

The University of Hertfordshire is an institution with enterprise at its core. Within our University Enterprise Zone we have formed clusters of excellence that respond to regional and national demands, providing students and businesses with access to funding, support with starting up and growing a business, help with innovation and access to research, multi-million-pound facilities and the opportunity to tap into the expertise of our academic community. Over 150 regional employers have benefited from our partnerships, strengthening their workforce with graduate placements, professional development, and around 850 active apprenticeships.

We are a globally engaged University, transforming lives by providing international opportunities for students and staff, building a diverse community on campus, and increasing flexible programme delivery for the overseas market. As well as welcoming students from across the globe to study in the UK, we also encourage home students to experience international study at one of over 100 Universities and schools in 40 countries worldwide. Over 6,500 students study a University of Hertfordshire degree outside the UK each year.

At the University of Hertfordshire students, staff, partners and businesses are supported, nurtured and inspired to think bigger, to seize opportunities, to channel their energy and to achieve their ambitions. Collectively, our community are changing the world.





# Strategic plan 2020–2025

We launched our strategic plan in January 2020. Our vision is to transform lives. It reflects the ambitions and inspiration that is central to Herts and it is built on the belief that whatever your background, wherever you are from, we will power your potential, driving you to succeed.

## Our strategy

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

### Offering opportunity

We offer every student the opportunity to succeed, with varied and well-signposted routes into university and clear pathways through study. We support students to achieve to the best of their ability, and we will support them in preparing for global opportunities after graduation. We will use our links in business, our research expertise, and our global outlook, to transform lives.

### Building community

We are a diverse and welcoming community with a global reach and a common purpose, to transform lives, which we will work together to achieve. Through communities of learning, exploration and knowledge, we celebrate diversity and share our passions. We want all our students and staff to find their communities here. We are engaged as a Civic University in our region, supporting schools, colleges and students. We will share our knowledge, culture, research and resources with businesses, the professions and the wider community.

### Embracing flexibility

We respond flexibly to the challenges and opportunities ahead. Flexible modes of study will support our students to succeed and allow them to engage with a greater range of opportunities in education, extra-curricular activities and work experience. We want our students to follow their interests and passions to transform their lives, and to be empowered by a choice of pathways that take them to the next stage and open doors to the future.

## Our pillars of activity

These are the key areas in which we operate, and our strategy is embedded in each, enabling us to achieve our vision.

### *Education and Student Experience*

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

### *Research*

We carry out research that transforms lives, addressing fundamental global and societal challenges.

### *Global Engagement*

We are a globally engaged university.

### *Enterprise*

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

## Our Values

We provide opportunities to attract, retain and develop individuals. We are a diverse and inclusive community and respond with flexibility to the challenges of the changing world. Our values underpin everything we do and are an integral part of our strategic plan. We are friendly, ambitious, collegiate, enterprising and student-focussed.

**“ Our vision is to transform lives, and power the potential of not just students and staff, but our wider community. Our students graduate with excellent skills aligned with the needs of employers and industry, enhancing their career prospects. We co-design, implement and grow business ideas and ventures, making our expertise accessible to market and powering businesses across the region. ”**

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







# Education and student experience

We deliver high-quality and distinctive education that transforms lives by providing opportunities to develop students' skills for life, working in partnership with our student community, and delivering flexible education with clear career pathways.

We do this through the expertise of our academic staff who design and deliver our courses. More than 70% of our staff hold professional recognition through Fellowships of the Higher Education Academy (HEA) in teaching and learning compared to 54% across the sector.

We are proud of our 14 Principal Fellows and 80 Senior Fellows of the HEA, and our 10 National Teaching Fellows and 22 Professors and Associate Professors in Teaching and Learning.

Our Widening Access work targets primary- and secondary-aged learners, while our Student Success work supports learners currently studying at the University. Students are selected based upon where the data indicates gaps in equality of opportunity in relation to access, success or progression.

We are proud of our strong record in increasing access and participation at Herts. This is evident in our student population and the proportion of students from underrepresented backgrounds.



### National Student Survey (NSS)

We have performed above the national average in many areas in this year's NSS. The results reflect Herts' continued work to engage with students as partners in teaching and learning and to create a two-way dialogue between staff and students.

For the fifth year running, we have achieved above the sector average for Student Voice (69.81%) in the latest National Student Survey (NSS) results.

We scored highly for assessment and feedback (70.18%) and academic support (74.21%), with our students noting staff's fairness and helpful timely feedback as part of the survey results.

We also scored above sector average for learning opportunities (79.41%), with our students reporting that the courses provide them with the opportunities to apply what they are learning each semester.

Many subjects received excellent satisfaction scores with a number of areas reporting scores of 95% and above for overall student satisfaction, including Pharmacology, Business Economics and Photography. As a whole we achieved a student satisfaction result of 75.57%, an increase from last year's score of 74.14%.

### Complete University Guide league table

We climbed 12 places in the 2023 Complete University Guide league table, and now sit at 68th in the country, the third highest riser in the East of England this year.

In subject tables the University now ranks in the top five in the UK, and 2nd in the East of

England, for Paramedic Science – a leap of 22 places. As the first university in the country to offer paramedic science degrees, this reflects our long history of high-quality teaching and industry partnerships, leading to a 100% rating for graduate prospects for the paramedics we train.

The University is 5th in the East of England in five subject areas, and second only to the University of Cambridge in five further subjects, with particularly strong ratings across Engineering.

### Postgraduate Taught Experience Survey (PTES)

We are ranked in the top 10 in every section of the survey. Our overall student satisfaction score was 89% this year, compared to 80% in 2021, and the sector average of 82%.

Among these great achievements, we ranked 2nd in Skills and Development, 4th in Resources and 5th for Support. At Herts, 3,793 students (24%) completed the survey, putting us 6.7% above the sector for responses.

### Ranked 16th in England for social mobility

In a new report by the Institute for Fiscal Studies in partnership with the Sutton Trust and Department for Education, we are ranked 16th for social mobility impact.

The report ranks all English universities by mobility rate, which considers the proportion of students from low-income backgrounds and whether those students make it to the top 20% of earners by the age of 30.





# Research

We carry out research that transforms lives and powers progress. Underpinned by our mission to protect people and the planet, our research seeks to deliver globally, inclusively, and at pace. We collaborate on inter-disciplinary projects not only with our colleagues, but also with international agencies, industry, the public sector and other universities around the world. Our partnerships always have the shared aim of improving people's lives and making a difference.

Our researchers are experts in their fields, powered by curiosity and driven to deliver research that's making a meaningful social and environmental impact in the UK and beyond our shores. We are ranked in the top 25% of all universities in terms of research impact, and 78% of our research has been ranked 'world-leading' or 'internationally excellent' according to the Research Excellence Framework 2021.

## Research Excellence Framework (REF)

Since the last REF delivered in 2014, we have moved up the research excellence rankings by 21 places to position 62 of 129 institutions. Over three quarters (78%) of our research has been ranked as world leading (4\*) or internationally excellent (3\*).

In addition to our excellent overall performance, we have risen 61 places to position 32 in the ranking for research impact, a greater rise than any other university. 90% of our research has been classified as having 'outstanding' (4\*) or 'very considerable' (3\*) impact.



Held every 6-7 years, REF is a nationwide assessment of the quality and impact of research at UK higher education institutions, based on evidence submissions that detail research outputs, societal impact and benefits, and the institution's research environment. The REF results are presented using a star rating up to 4\* for overall research excellence, as well as research impact.

### **New app will be the first to show air pollution by postcode using artificial intelligence**

Researchers at Herts are preparing to launch a new mobile app that will use artificial intelligence to show air quality by postcode – the first app of its kind to do so.

Codenamed PASS (Pollution Avoidance Support System), the free app will give vulnerable people, including those suffering from respiratory conditions like asthma, the information they need to make informed choices about where they travel to avoid high exposure to air pollutants.

The PASS app will work by first finding out the air quality level of the larger geographical area, provided by existing air quality sensors. Using artificial intelligence, it will then analyse the features of each individual postcode area (including geographic information system data such as building height, as well as traffic and weather data) to create a mathematical model that will accurately predict air quality for those individual postcodes.

App users will be presented with a map segmented by postcode area and colour-coded based on the Air Quality Scale, with green indicating low levels of pollution and dark purple meaning very high.

Several partners are involved in the project, including Birmingham City Council, Leeds Beckett University, big data and AI consultancy group Nazir Associates, and engineering and technology consultancy Rasuta Energy.

The app will be piloted initially in Birmingham in March 2023, before being made available across other parts of the country shortly after.

The project is being led by Professor Hafiz Alaka, Director of the Big Data Tech and Innovation Lab at the University of Hertfordshire.

“PASS will be the first app of its kind to give users information about air pollution in their immediate, local area, using the power of artificial intelligence and big data. Having this information in the palm of your hand could have a huge impact on how you live your day-to-day life, and it could also help lower the prevalence of conditions made worse or triggered by air pollution.”

### **Robotic glove supports stroke patients' rehabilitation**

Following its participation in a £4.8 million European Commission funded research project, the University of Hertfordshire has developed an innovative wireless robotic glove, to support rehabilitation for stroke patients at home.

The Supervised Care and Rehabilitation Involving Personal Tele robotics (SCRIPT) research project completed in 2015, and during the trial a robotic glove was designed by the consortium and was tested in 21 home settings, with evidence to suggest its feasibility for future development. The team of researchers at Herts have worked on multiple design improvements to the robot since then, including making the glove wireless and lighter weight, also improving its ease of wear. The WiGlove has been evaluated through multiple cycles, first with 20 healthy participants, and then by clinicians at Luton and Dunstable Hospital. Each cycle resulted in further improvements to the glove, and as a result of these evaluations and improvements, the University has since been given ethics approval to trial the glove with stroke patients when they leave the hospital.

Professor Farshid Amirabdollahian, professor of human and robot interaction, and project lead said: “The WiGlove allows post stroke patients to perform flexing and extending movements with their hands and wrists, while they go about their daily lives, and there are sensors which help the patient by providing performance feedback and their medical team can monitor progress. These movements help to mitigate some of the problems stroke patients often have with abnormal muscle coordination where wrists tend to flex and hands flex into a fist.

“We know that patients show signs of a quicker recovery when it comes to their leg movements and they get discharged from hospital at this point, but hands, wrists and fingers take longer, and the more prolonged the rehabilitation, the harder that is for the patient and the more costly that is for the NHS.”

The team of researchers will continue to gather feedback from stroke rehabilitation experts, and the patients testing the WiGlove to ensure it delivers optimum benefits and continue to refine and validate the product. Professor Amirabdollahian concluded: “We want to fully assess if its use can actually enable stroke patients to exercise more and whenever they want to recover faster and have a happier life – we believe it has this potential.”



# Enterprise

We deliver transformative benefits for the economy and our communities through outstanding expertise in business, innovation and skills. We provide opportunities for students and graduates to pursue entrepreneurship, welcoming businesses to the University Enterprise Zone and offering flexible ways for businesses to work with us.

Our passion for enterprise and innovation is rooted in Britain's pioneering aeronautical industry and spans seven decades. We continue to lead the way, as we are one of only 20 recognised University Enterprise Zones, committed to boosting the economy and employment.

Collaboration and partnership are essential to the ethos of Herts. We seek out the unique opportunities inherent to each of our relationships which will best serve society, informing our work with the strength of collective knowledge and understanding; discovering where to move next, and innovating together.

In the past five years alone, through Exemplas, part of the University of Hertfordshire group, we've supported 19,000 small businesses to dream even bigger by expanding their trading capacity beyond our shores. 2018's Hertfordshire Science Partnership opened new opportunities for small businesses in the Agri-Technology and life sciences sector.

Over 150 regional employers have also benefited from our partnerships, strengthening their workforce with graduate placements, professional development, and around 850 active apprenticeships.

Our passion for collaboration truly shines with our eight on-going Knowledge Transfer Partnerships (KTPs). With £1.7 million worth of expertise, we are powering progress in research and development, opening the doors for new vision, new ideas, and new enterprise to deliver real, and lasting change.

### **UK Community Renewal Fund success for project capitalising on Hertfordshire's world-class film and TV industry**

The brand-new project will deliver culture-led regeneration across Hertfordshire. The programme, titled *Driving creative innovation and culture-led regeneration through the film industry*, will capitalise on the world-leading hub of film and TV studios located in South Hertfordshire to ensure that the wider community benefits from these assets. This project is led by Hertfordshire's official destination management organisation Visit Herts, along with project partners at the Hertfordshire Growth Hub and the University of Hertfordshire. It is part-funded by the UK Government through the UK Community Renewal Fund.

Hertfordshire is home to a burgeoning film and TV sector which has attracted over £3.7 billion of new private sector investment in the past 12 months. Hollywood's Sunset Studios choosing to locate its new £700 million base in Broxbourne, is set to create over 4,500 permanent jobs with an estimated contribution of £300 million per annum to the local economy. Further to this, Comcast's £3 billion investment in Sky Studios Elstree will create over 2,000 jobs, while at Warner Bros. Studios Leavesden, three new sound stages are being built, providing 83,000 sq. ft. of additional production space.

With our world-class expertise and teaching, state-of-the-art studios and equipment, and

strong industry links, we are already delivering industry-ready graduates, driving innovation and employment opportunities in the sector. This, combined with our reputation for powering businesses and economic growth in the region, will allow the county's already flourishing film and TV industry to prosper further.

### **New government-backed leadership course will boost business performance, resilience, and growth**

We have launched a new course for small to medium sized enterprise owners and managers, designed to boost their businesses' performance, resilience, and long-term growth.

Delivered by leading business experts from Hertfordshire Business School, the Help to Grow Management course provides 50 hours of in-depth intensive training, covering financial management, innovation, growth strategies, adopting digital technology, and responsible business practices.

Participants are matched with a mentor for the 12-week course, who will support them with the development of a growth plan for their business. Participants will also be able to access a peer support network for entrepreneurs and business leaders, even after the course has finished, through the Help to Grow alumni network.

The course has been designed to meet the needs of a busy small business owner. It is delivered in an accessible, blended learning format at the end of each working day, allowing businesses to continue operating effectively. With 90% funded by government, businesses only pay a one-off cost of £750.







# Global engagement

As a globally engaged university, we transform lives by providing international opportunities for students and staff, building a diverse community on our campus, and increasing flexible programme delivery for the overseas market.

## **New global partnership with SAE Creative Media Education**

Our new partnership with SAE is focused on delivering exceptional student experiences and outcomes for aspiring creatives.

From 1 January 2022, SAE students undertaking select Bachelor and Master programmes in 17 countries graduate with an SAE qualification validated by the University of Hertfordshire. The programmes, which are developed, delivered and assessed by SAE, are offered in specialist disciplines such as audio, music business, film, animation, games and web development.

Through the validation process, the University of Hertfordshire recognises the quality and standards of SAE programmes as equivalent to its own, according to rigorous quality standards.

SAE programmes are focused on meeting the creative media skills needs of industry while supporting students to achieve their career and creative ambitions.





SAE's partnership with the University of Hertfordshire is a very positive outcome for SAE students commencing their studies in 2022.

Executive General Manager of SAE Global, Matthew Evans

SAE forms part of global education provider Navitas, which has an existing partnership with the University of Hertfordshire through its pathway college, Hertfordshire International College.

Executive General Manager of SAE Global, Matthew Evans, said: "Our programmes are developed with industry partners to ensure the relevance of curriculum. Students benefit from learning in small classroom environments but throughout Covid-19 have also developed essential skills in collaborating with peers, teachers and mentors online.

"We are honoured to be partnering with an institution that is renowned for delivery of digital creative and entertainment media courses including visual effects, immersive media and animation.

"SAE and the University of Hertfordshire are equally committed to upholding the highest standards of education and supporting students to achieve the best possible outcomes."

The University of Hertfordshire's creative courses are widely recognised as leading in their field. Most recently the University was ranked top in the UK and 22nd in the world in the Rookie Awards' top 50 creative media and entertainment schools and colleges for 2021.

**“ We have always been immensely proud of our digital media courses, and we continue to champion creative education and the achievements of those who study it.**

**Partnerships are an invaluable element of the work we do, forging relationships with organisations who share our values and our commitment to a fantastic student experience. We are delighted to partner with SAE who have over 40 years' experience delivering creative media courses across the UK and internationally.**”

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

# People

We are a diverse and welcoming community with a global reach and a common purpose – to transform lives – which we work together to achieve.

At Herts we celebrate diversity and share our passions through our communities of learning, exploration and knowledge, and support all our students and staff to find their own communities here.

From charters to surveys, we work hard to ensure that our people feel heard, welcomed and respected. We collaborate with student representatives to ensure our policies and curriculum are fit for purpose and progressive. Departmental and University staff surveys gauge the views of our people at various times to feed into our planning.

We provide access to free staff health assessments; financial advice and support through our employee assistance programme; training and development workshops; the opportunity to step up into a leadership role through the apprenticeship programme. Active staff team challenge activities; free sport through our Active student sports programme.

Students and staff are encouraged and supported to connect with one another via a multitude of networks, campaigns and events. We celebrated events such as: Black History Month; LGBT+ History Month, World Earth Day, World Autism Day, International Women's Day; World Menopause Day,

We held our first ever Digital Skills Week, offering opportunities for staff and students to better understand and develop their digital skills. We also celebrated Neurodiversity Week with a series of lunchtime seminars to improve understanding and awareness.

Herts is engaged as a Civic University in the region, supporting schools, colleges and students in identifying their dreams and making them realities. And we share our knowledge, culture, research and resources with businesses, industry and the wider community to help make lasting and positive changes in the world. Researchers from our Computational Design Unit are investigating how to improve building standards in care homes – in a way that prioritises the

experiences of those who use them, as well as improving energy consumption of the building and reducing the carbon footprint.

## 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 2021 to 31 March 2022 is published on the University's website at: [go.herts.ac.uk/TradeUnionFacilityTime](http://go.herts.ac.uk/TradeUnionFacilityTime)

This has been updated to cover the accounting reporting period 1 August 2021 to 31 July 2022 (comparatives are not required to be presented under the regulations) and is as follows:

	2022
	Number
Number of trade union representatives	26
Full-time equivalent number of trade union representatives	20.8

## Percentage of working hours spent on trade union facility time

	Number
0% of working hours	-
1 to 50% of working hours	26
51 to 99% of working hours	-
100% of working hours	-

## Percentage of staff costs spent on facility time

	£'000
Total staff costs for the University	150,679
Total cost of facility time	166
Percentage of staff costs spent on facility time	0.11%

## Paid trade union activities

Percentage of total paid facility time spent on paid trade union activities	12%
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# Sustainability

We're committed to working with our staff, students, partners, and the community towards a greener and brighter future. Our Environment and Sustainability Framework identifies key impact areas and opportunities. Our four pathways recognise that we have a duty to reduce our direct impact on the environment and the opportunity to empower our wider community to become the change-makers of tomorrow.

## Climate change

Climate change is the biggest challenge of our time. By signing up to Race to Zero and publishing our Climate Vision, we have committed to becoming Net Zero by 2050, with a 78% emission reduction by 2035. In order to achieve our targets, we have undertaken a group-wide carbon footprint assessment, and are currently working with external partners to develop a heat-and power-decarbonisation strategy. We are also running a number of engagement and educational initiatives on climate change that will help deliver a net zero mindset across our community. While a number of internal and external factors have helped reduce emissions by 48% since 2005, we are not complacent, and will continue to invest in and work towards climate action.

## Waste and resource depletion

A product's life cycle can have many negative environmental impacts. Adopting circular economy principles will not only help keep valuable resources in the ground, but will also stop waste from ending up as pollution or in landfill. Through our Waste and Resource Management Plan and our recently published Sustainable Purchasing Policy we have committed to reducing waste production and promoting resource efficiency; adopting sustainable construction principles; reducing the environmental impact of our procurement processes and supporting responsible procurement; managing and reducing water consumption.

Despite the increase in single use items during the pandemic, our waste output has decreased by 69% in the last five years, with the amount of waste going to landfill falling by 50% since 2017-18. We have also made significant progress with

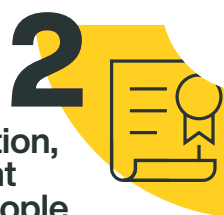
## Building a Sustainable Community



## Reducing the impact of our Estate and Operations



## Education, Student and People Experience



## Research, Enterprise, and Global Engagement



our water targets. As a result of leak detection and rectification works, water consumption fell from 16m<sup>3</sup> to 9m<sup>3</sup> per person between 2021-22, representing a 44% reduction. Going forward we aim to launch more reuse initiatives, closing the loop on many of our main disposable products.

## Biodiversity

Biodiversity decline is a serious environmental concern, both globally and locally. Given the rich and varied green spaces found across our two campuses and Bayfordbury Observatory, the wealth of knowledge within our academic schools, and our position as a significant landowner, we have a unique opportunity to play our part in protecting biodiversity. Through our Biodiversity Action Plan, we have committed to creating and enhancing wildlife habitats, both through practical initiatives such as No Mow May, planting bee-friendly flowers, re-introducing hazel into our Hazel Grove Wood, and engagement campaigns such as Hedgehog Friendly Campus, Biodiversity walks and Birdwatch. This summer we had 150 school children attend an outdoor education day at Bayfordbury to bring together learning, fun and nature.

# Key risk indicator





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

Risk	Mitigations	Rating
<b>Education and student experience</b>		
Failure to deliver a high-quality student experience.	<ul style="list-style-type: none"> <li>Awareness of student experience is informed by the National Student Survey (NSS) and by module feedback.</li> <li>Well-established student wellbeing services in place and available to students both on campus and online.</li> <li>Introduction of Personal Tutoring Framework providing academic and pastoral support to students.</li> <li>Regular updates to students on changes, and engagement with student representatives to hear student concerns.</li> </ul>	▲
Failure to offer workplace engagement and overseas learning opportunities.	<ul style="list-style-type: none"> <li>Advice to, and engagement with students and graduates by Careers and Employment Service and Schools.</li> <li>Engagement with Enterprise and Business Development partners, including Degree Apprenticeship employers.</li> </ul>	■
<b>Research</b>		
Loss of key research staff.	<ul style="list-style-type: none"> <li>Regular engagement with, and monitoring of, key research staff to manage retention.</li> </ul>	▲
<b>Enterprise</b>		
Failure to maintain effective relationships with University subsidiaries.	<ul style="list-style-type: none"> <li>Sound management and governance arrangements for subsidiaries in place, with close monitoring of financial planning and budget performance by executive and non-executive directors.</li> </ul>	▲
<b>Global engagement</b>		
Failure to develop and maintain strong and beneficial international partnerships.	<ul style="list-style-type: none"> <li>Regular monitoring of international partners.</li> <li>Robust due diligence on potential partners.</li> </ul>	■
<b>People</b>		
<b>People management</b> Failure to recruit, retain and ensure wellbeing of staff, and failure to effectively forward plan to support future University workforce needs.	<ul style="list-style-type: none"> <li>People Strategy and Equality, Diversity and Inclusion Strategy in place and being embedded.</li> <li>Established Wellbeing services supported by network of Wellbeing Champions and online employee support service.</li> <li>Organisational planning includes assessing workforce requirements, and identification of single sources of failure.</li> </ul>	⬢
Employee relations – local.	<ul style="list-style-type: none"> <li>Engaging in both formal (JNCC) and informal discussions with local Trade Unions and senior management.</li> </ul>	▲
Major incident/accident on campus.	<ul style="list-style-type: none"> <li>Close relations with police and emergency services, with on-campus presence through the Community Police Team.</li> <li>Periodic mock/rehearsals of emergency planning/business continuity protocols.</li> </ul>	▲
<b>Financial sustainability</b>		
Failure to maintain a financially sustainable position.	<ul style="list-style-type: none"> <li>Robust financial management controls with regular forecasting and scenario planning.</li> <li>Diversification of income to spread the financial risk to the University.</li> </ul>	■
Failure to meet student recruitment targets.	<ul style="list-style-type: none"> <li>Robust recruitment systems, plans and campaigns in place, supported by regular analysis of market position.</li> <li>Effective and efficient Confirmation and Clearing processes.</li> <li>Continued engagement with UK and International agencies.</li> </ul>	■




## Key






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

 <b>Red</b> (significant risk 16-25)	 <b>Amber</b> (high risk 12-15)	 <b>Yellow</b> (medium risk 5-10)	 <b>Green</b> (low risk 1-4)
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### Financial sustainability continued

Failure to prepare for impact on University of key external influences.	<ul style="list-style-type: none"> <li>Robust horizon scanning processes in place with external intelligence from key, recognised channels.</li> <li>Active engagement and lobbying on key issues.</li> </ul>	
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### Compliance

Failure to comply with legislation and statutory duties.	<ul style="list-style-type: none"> <li>Strong processes and training in place for key legislation, such as GDPR and UK Visas and Immigration (UKVI).</li> <li>University Data Protection Officer in post, and dedicated teams in place to manage UKVI compliance.</li> </ul>	
Failure to complete and submit accurate and timely data returns to regulators.	<ul style="list-style-type: none"> <li>Focus on HESA critical activity with new software to assist with this.</li> <li>Detailed investigation into discrepancies and regular communication with OfS.</li> </ul>	
Failure to comply with the Office for Students (OfS) conditions of registration.	<ul style="list-style-type: none"> <li>Full and ongoing engagement with the OfS, partners and professional bodies to ensure awareness of any changes to, or new regulations or guidance.</li> </ul>	
Failure to fulfil safeguarding duties and ensure the safety and wellbeing of children and vulnerable adults who engage with University activities.	<ul style="list-style-type: none"> <li>Clear policy and procedures in place which are communicated to University staff and students.</li> <li>Formal safeguarding responsibilities within Schools.</li> <li>Regular briefings to senior management and Board on safeguarding issues.</li> <li>Engagement with external groups and Herts Consortium to ensure awareness and alignment of Prevent policies.</li> </ul>	
Failure to effectively manage the statutory compliance aspects of the estate.	<ul style="list-style-type: none"> <li>Ten-year facilities management contract in place until 2027.</li> <li>Monthly reporting on statutory compliance down to building level.</li> </ul>	

### Sustainability/Infrastructure

Significant Cyber Security attack having impact on multiple users.	<ul style="list-style-type: none"> <li>Strong awareness raising of cyber risks to all staff and encryption of all new devices.</li> <li>Strong network security processes and anti-malware solutions in place with regular penetration testing.</li> <li>Engagement with sector and professional networks to ensure awareness of emerging threats.</li> <li>Roll out of Multi-Factor Authentication (MFA) to all staff.</li> </ul>	
Failure of a key supplier.	<ul style="list-style-type: none"> <li>Regular monitoring of key suppliers by Procurement, Learning and Computing Services and Estates teams to provide early warning of supplier failure.</li> <li>Wide use of purchasing consortia.</li> </ul>	
Failure of IT Infrastructure.	<ul style="list-style-type: none"> <li>IT Infrastructure and replacement cycles reviewed, and additional contingencies developed to ensure continuity of service if IT fails.</li> </ul>	
Failure to prepare for the impact of a major disaster on the University.	<ul style="list-style-type: none"> <li>Clear business continuity arrangements in place which have been reviewed and tested.</li> <li>Gold, Silver and Bronze executive teams to manage and respond to crises.</li> </ul>	
Failure to maintain and develop the University estate.	<ul style="list-style-type: none"> <li>Estates 2020 Project reviewed to ensure continued relevance to University strategy.</li> </ul>	
Continuity of food and catering provision.	<ul style="list-style-type: none"> <li>Close monthly monitoring of catering income and costs.</li> </ul>	

# Student numbers

The following tables show an analysis of our student profile for 2021–22.

Mode and level of study		
Full-time and sandwich	Postgraduate research	350
	Postgraduate taught	10,480
	First degree	13,710
	Foundation degree	270
	Other undergraduate	50
	<b>Total</b>	<b>24,870</b>
Part-time	Postgraduate research	320
	Postgraduate taught	3,990
	First degree	1,540
	Foundation degree	280
	Other undergraduate	940
	<b>Total</b>	<b>7,070</b>
<b>Total students studying within the UK</b>		<b>31,940</b>

Gender		
Female	16,250	50.9%
Male	15,690	49.1%
<b>Total</b>	<b>31,940</b>	<b>100.0%</b>

Ethnicity		
White	10,080	31.6%
Asian or Asian British	11,980	37.5%
Black or Black British	6,050	18.9%
Chinese	480	1.5%
Other (including mixed race)	2,530	7.9%
Unknown/information refused	830	2.6%
<b>Total</b>	<b>31,940</b>	<b>100.0%</b>

Geographic region		
England	18,450	57.8%
Wales	110	0.3%
Scotland	90	0.3%
Northern Ireland	50	0.2%
Guernsey, Jersey and the Isle of Man	10	0.0%
Other EU	790	2.5%
Non EU	12,450	39.0%
<b>Total</b>	<b>31,940</b>	<b>100.0%</b>

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

Subject area		
Medicine and dentistry	350	1.1%
Subjects allied to medicine	7,390	23.1%
Biological and sport sciences	710	2.2%
Psychology	760	2.4%
Agriculture, food and related studies	20	0.1%
Physical sciences	150	0.5%
Mathematical sciences	180	0.5%
Engineering and technology	2,290	7.2%
Computing	4,880	15.3%
Geography, earth and environmental studies	390	1.2%
Architecture, building and planning	320	1.0%
Social sciences	1,220	3.8%
Law	1,210	3.8%
Business and management	7,580	23.7%
Media, journalism and communications	260	0.8%
Language and area studies	130	0.4%
Historical, philosophical and religious studies	150	0.5%
Design, and creative and performing arts	1,720	5.4%
Education and teaching	2,150	6.7%
Combined and general studies	100	0.3%
<b>Total</b>	<b>31,940</b>	<b>100.0%</b>

## Students from outside the UK – Top 10 countries

India	5,830	18.3%
Nigeria	2,370	7.4%
Pakistan	2,010	6.3%
Bangladesh	640	2.0%
China	240	0.8%
Portugal	200	0.6%
Ireland	120	0.4%
Hong Kong	100	0.3%
Nepal	90	0.3%
Malaysia	80	0.3%
<b>Total</b>	<b>11,670</b>	<b>36.6%</b>

## Students studying wholly outside the UK

Students on overseas franchise programmes	
Malaysia	2,870
Egypt	1,170
Russia (Russian Federation)	470
Singapore	140
Brazil	120
Other countries	120
<b>Total (students on overseas franchise programmes)</b>	<b>4,890</b>

Students on distance learning programmes outside of the UK (across 114 countries)	1,940
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<b>Total (students studying wholly outside the UK)</b>	<b>6,830</b>
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<b>Total student numbers</b>	<b>38,770</b>
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# Financial review

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

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

The Group made a surplus in 2021-22 and remains well placed to deal with changes in the external environment, including future challenges from Brexit, geopolitical events and from changes which may be introduced by government.

The Group made a surplus for the year of £6.3 million (2021: £10.5 million) and recorded total comprehensive income of £104.7 million (2021: £38.2 million). The figures are reported after significant adjustments in respect of the Local Government Pension Scheme (LGPS) as detailed below. The LGPS actuarial gain shown in other comprehensive income has no cash impact.

Following the outbreak of Covid-19 in March 2020, many students who lived on campus opted to return home and some new and returning students have since decided to live off campus and commute, having become used to distance learning during periods of lockdown. Additional costs were incurred in providing extra signage, personal protective equipment and cleaning materials. Although many students were allowed to return to campus in 2021-22, accommodation was not fully occupied and on-site income remained below pre-pandemic levels.

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, 69% of Group income came from tuition fees.

## Surplus for the year before pension cost adjustments

	2022 £m	2021 £m
Surplus for the year before pension cost adjustments	22.3	22.0
LGPS service cost and interest charge	(14.5)	(11.7)
USS recovery plan provision decrease/(increase)	(1.5)	0.2
<b>Surplus for the year</b>	<b>6.3</b>	10.5
LGPS actuarial gain	98.1	27.4
Change in fair value on hedging financial instruments	0.3	0.3
<b>Total comprehensive income</b>	<b>104.7</b>	38.2

## Income

Total tuition fee income for the year was £235.3 million, an increase of £30 million (15%) from the previous year. This was in line with increased student numbers, notably further diversification through having extra international post-graduates, and non-regulated fee increases.

Annual tuition fees for UK undergraduate students remain capped at £9,250, with only one modest increase since 2012, and therefore have not met ongoing cost inflation, eroding the amount available to spend. The cap was removed for EU undergraduate students in autumn 2021 and these students now pay international fees. 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) and Research England reduced slightly to £24.1 million (2021: £25.3 million) again without any inflationary increase to compensate for increases in costs. Of this, £3.5 million (2021: £3.8 million) was received from the Higher Education Innovation Fund, in recognition of the business-facing work undertaken by the University.

The University has enrolled a total of 1,233 learners on to degree apprenticeship programmes.

We have total of 11 Apprenticeship Standards being delivered across four different schools. Our three most popular apprenticeship standards are Nursing Associate Higher Apprenticeship, the Senior Leader Degree Apprenticeship, and the Chartered Manager Degree Apprenticeship.

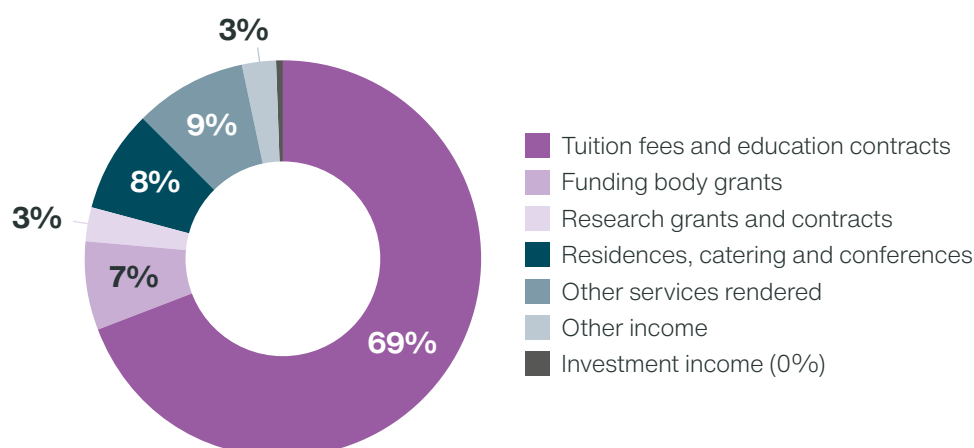
Other income recovered from the prior year to £68 million (2021: £58.2 million) with increases in business services, consultancy, accommodation, buses, sport, catering and conferencing following the significant closures through the pandemic. Margins though remained low.

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 £10.1 million, slightly higher than the 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 2017 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 since inception, although volatility increased significantly after the start of war in Ukraine in February 2022. A new bond investment fund was opened with Legal and General Investment Management in 2019. These losses are reported in note 15.

Group income sources can be seen in the chart below.

#### Group income 2021-22



#### Expenditure

Control over costs is of significant importance as part of the Group's overall value-for-money requirement. Staff costs do generally increase annually even with modest general pay awards, as many staff are also paid annual increments to increase salary. The Group made a number of strategic targeted investments in staffing to further improve the quality of teaching and research. The number of full-time equivalent staff increased by 86 in the year, a rise of over 3%.

About 51% of operating expenditure of the University Group is spent 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 hubs. 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 (TPS) or the Local Government Pension Scheme (LGPS). Employer contribution rates increased in the TPS in 2018, however, the employer contribution rate to the LGPS reduced from April 2020. The employer contribution rates represent a significant investment in staff benefits of £23 million, as detailed in note 31.

The LGPS is deemed to be specific enough to each employer to require recognition in the accounts. Following actuarial advice, the scheme deficit has reduced to £2 million (2021: £86.6 million) after a period of recovery in corporate bond yields after the Covid-19 pandemic. However, forecasts for consumer price index are also higher than previously thought, meaning that the ongoing service cost has increased.

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 £2.5 million deficit provision at the balance sheet date is based on the new deficit recovery plan that was put in place as part of the 2020 scheme valuation.

Procurement of goods and services adheres to UK law and much use is made of regional and national purchasing consortia with more than 40% of purchases made through these organisations in 2021-22. 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. External debt reduced to £56.2 million, about 16% of income, and provides some headroom if further borrowing was required. Around 55% of the external debt is at a fixed rate and this portion is unaffected by rate rises.

The provision for bad debts increased significantly by £3.5 million to reflect the difficulties being faced by some students finding it difficult to secure funds during the pandemic and so the University has offered extensions to payment deadlines throughout the year. It is hoped that the buoyant job market may now help alleviate some of these issues.

### Capital investment

Recent buildings opened include the Enterprise Hub and the Institute of Sport at the de Havilland Campus; the former provides a social space for students and also houses business incubation and teaching, while the latter offers outstanding teaching facilities in sports subjects. Both attracted funding from the Hertfordshire Local Enterprise Partnership totalling £6.8 million. The new Forum teaching and social space also opened to students in September 2021, providing a flexible teaching space and a new venue for students to socialise.

The demolition of a former teaching building at the College Lane Campus was completed in readiness for the construction of a new Physics, Engineering and Computing facility to be opened in early 2024. Enhancements to the original college building, dating from the early 1950s, are also planned along with the replacement of the Wright Building which houses several health-related facilities.

Investment has been made in teaching and research equipment, IT infrastructure, Wi-Fi capability, carbon reduction schemes and in supporting the research themes. Universitybus Limited acquired four vehicles costing £0.7 million and Polyfield Property Limited bought new

gym equipment costing £0.3 million. In total, £29.6 million was spent on capital projects during the year.

### Subsidiary companies

The subsidiary companies had a reasonable trading year, despite the impact of the pandemic.

Universitybus Limited made a normal trading profit of £0.5 million, benefitting from the government's continued grant support to maintain services through the pandemic period. Improvements were made to services with investment in four more vehicles, on-board CCTV upgrades and full rollout of cashless technology on-board, further enhancing customer experience. The company amalgamated its section of the LGPS with the University, which resulted in a £0.5m write-off of its asset value, and this materially reduces future risks from cessation liabilities.

The Exemplas group of companies recorded a break-even normal trading result through its wide-ranging business support activities to small and medium-sized enterprises. Two major contracts with the Department for International Trade ceased in June 2022 with the business being in-sourced by government. Three subsidiary companies have since ceased trading leaving Exemplas Limited as the subsidiary to contract for future work, notably with Innovate UK.

Commercial projects in the academic schools and conferencing are traded through UH Ventures Limited, recording a profit of £0.4 million, with a notable recovery in conference activity after lockdown.

Polyfield Property Limited, which runs the Hertfordshire Sports Village and rents property to other members of the Group, made a loss of £0.9 million as trading began to recover post pandemic. The company makes ongoing unitary payments under a Private Finance Initiative, and this forms a substantial part of its cost base. The PFI ceases in 2033 after 30 years.

### Monitoring financial performance

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

	Actual	Target
EBITDA	£39.8m	£35.2m
Research income	£10.1m	£10.7m
Other operating income	£68.0m	£69.6m

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved largely because of the increase in income in 2021-22, mostly from international students and this also meant that



the following metrics were also better than in 2020-21. External borrowing also continued to be paid down and total income increased to £339 million.

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

Financial metric	Actual 2021-22	Actual 2020-21
Surplus as % of total income	<b>1.8%</b>	3.5%
Cash flow as % of total income	<b>16.1%</b>	16.2%
Net liquidity (total expenditure less depreciation) in days	<b>176 days</b>	167 days
Total assets/total liabilities	<b>2.6</b>	1.8
External borrowing as % of total income	<b>16.6%</b>	19.6%
Unrestricted reserves as % of total income	<b>100.5%</b>	79.0%

### Cash flow

Cash, including short-term deposits, increased to £151.4 million (2021: £127.8 million) and so is healthy and adequate to fund future investment. Cash generated from operating activities of £54.7 million was higher than capital expenditure. External debt of £2.9 million was repaid. It is not envisaged that further external borrowing will be needed in the foreseeable future, but the Board considers that there is substantial headroom if the need arose.

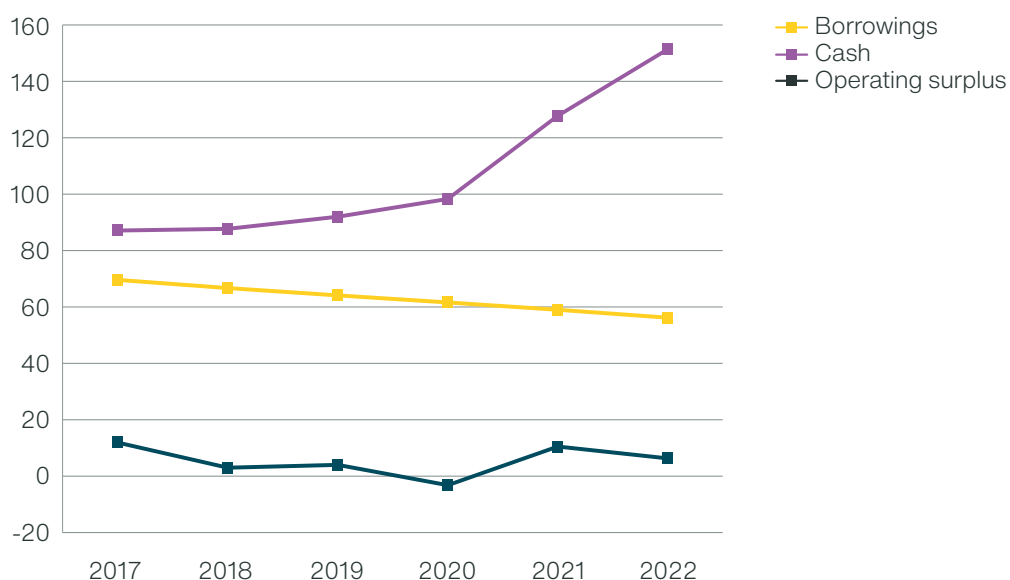
### Taxation

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 £6.5 million and £38.4 million respectively.

### Conclusion

With only a single reported financial deficit since 2008-09, which was in 2019-20 and due to the impact of Covid-19 on student accommodation income, the Board considers that the Group remains in good financial health and well placed to face the uncertainties ahead, 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.

### Group operating surplus, cash and borrowings (£ million)



# Statement of corporate governance

The following statement covers the year to 31 July 2022 and the period up to the date of approval of these financial statements. It is provided to enable readers of the financial statements to gain a better understanding of the governance and legal structure of the institution.

## Legal status

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

The University conducts its business in accordance with the seven principles identified by the Nolan Committee on Standards in Public Life; the guidance provided to higher education institutions by the Committee of University Chairs (CUC); and the requirements of the OfS Regulatory Framework. The Board has adopted The Higher Education Code of Governance (CUC 2014, revised 2018 and 2020) and is satisfied that it operates in compliance with the Code.

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

## Governance structure

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

## Board of Governors

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

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

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

No members of the Board receive any remuneration for the work they do for the Board, although they are able to claim expenses incurred in the course of undertaking their duties. In 2021–22, the Board met on 10 occasions and average attendance was 85% (compared to 90% the previous year).

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

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

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

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

## Academic Board

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

## Chief Executive

The Vice-Chancellor is the head of the University and is responsible to the Board of Governors for the organisation, direction and management of the University. Under the requirements of the OfS Regulatory Framework, the Vice-Chancellor is the designated accountable officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

As Chief Executive, the Vice-Chancellor exercises considerable influence upon the development of the University's 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), and additionally since 2021-22, the Pro Vice-Chancellor (Education and Student Experience), the Pro Vice-Chancellor (Research and Enterprise) and the Executive Director (Business, International, Marketing and Recruitment), all contribute to this aspect of work.

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

## Committees

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

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

Other than the Audit and Risk Committee, whose constitution provides for a staff governor

nominated by the Board of Governors, these committees are composed of independent and external co-opted members of the Board. The decisions of these committees are reported formally to the Board.

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

## Finance Committee

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

## Employment, Remuneration, Governance and Nominations Committee

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

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

## Vice-Chancellor's Remuneration Committee

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

## Audit and Risk Committee

The University adopted the revised CUC Higher Education Audit Committees Code of Practice at its meeting in June 2020. In doing so, a number of changes were made to its Terms of Reference to ensure ongoing compliance with the Code. In addition, actions have been agreed to formalise the induction of new members of the

committee. These have been agreed following the completion of a full mapping of the Code against the committee's arrangements by Internal Audit. The Audit and Risk Committee normally meets five times per year, including a meeting with the external auditors to discuss findings in relation to the audit of the financial statements. It reviews the annual financial statements prior to their consideration and approval by the Board, together with the accounting policies.

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

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

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

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

The University has established an officer Assurance Group whose principal role is to monitor ongoing compliance with the OfS conditions of registration, including the submission of key data returns and to provide assurance to the Board.

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

### Going concern

The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason the Board considers that the financial statements of the University and the Group should be prepared on a going-concern basis.

The Group has made financial surpluses for the last 11 years (other than 2019-20 which was primarily caused by the need to release students from accommodation contracts and because of the actuarial adjustment in the Local Government Pension Scheme (LGPS)) and has cash reserves at a high level.

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

The University finished the 2021-22 financial year with cash deposits and investments of £151 million. Based on the budget for 2022-23, being the most likely scenario, cash and investments at the end of the coming year would be £90 million. External debt would be paid down to £54 million, ensuring that gearing remains low relative to both the historic position and to the sector more widely.

Each subsidiary company has demonstrated that its cash reserves will be sufficient to continue trading for the foreseeable future (to 31 December 2023). Borrowing facilities from the University are in place should any of them require financial assistance for working capital on a short-term basis.

The capital expenditure programme has been reviewed by a senior panel to ascertain key priorities and has been budgeted as such. In the 2022-23 financial year, the largest project (the School of Physics, Engineering and Computer Science Building) will cost approximately £42 million, with the majority of other projects being considerably smaller in scope and value. There are options for delaying some projects should the need arise.

The budget for 2022-23 was approved on the basis of achieving a small surplus after any LGPS adjustment and the medium- and long-term cash forecasts demonstrate financial sustainability. Investments in fixed assets are carefully reviewed prior to approval. The Board only undertakes such investments with the knowledge that the Group will remain solvent and that value is likely to be added as a result of the investment. Although no new external borrowing is likely to be required in the near future, the Board is confident that funding would be available from its lenders should the need arise.

### Responsibilities of the Board of Governors

In accordance with the University's Instrument and Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.



The Board of Governors is responsible for preparing the strategic report and the financial statements in accordance with applicable law and regulations.

The Board of Governors is required to prepare financial statements for each financial year in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law) including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, the Board of Governors is required to prepare the financial statements in accordance with the OfS Regulatory Framework, through its accountable officer. At the University of Hertfordshire, the designated accountable officer is the Vice-Chancellor. The Board of Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and the Group and of the surplus or deficit, gains and losses and changes in reserves of the University and the Group for that year and the cash flows for the Group for the year. In preparing the financial statements, the Board of Governors is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University and Group will continue in business.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the University's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the University and the Group. It also ensures that the financial statements comply with the Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (SORP) and any subsequent amendments, OfS Accounts Direction and other applicable regulations. It is also responsible for safeguarding the assets of the University and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

- Ensure that funds from the OfS, UK Research and Innovation (including Research England), the Department for Education and the Education and Skills Funding Agency are used only for the purposes for which they have been given and in accordance with any terms and conditions

of that funding. This includes the operation of a sound system of internal financial control, as described in the Statement of Internal Control on page 32 and the conduct of regular internal audits on compliance with legislation, for example compliance with OfS conditions of registration.

- Ensure that there are appropriate financial management controls in place to safeguard public funds and funds from other sources.
- Ensure that the University and Group has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities.
- Secure the economic, efficient and effective management of the University's and the Group's resources and expenditure.

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

#### **The Board of Governors confirms that:**

- So far as each governor is aware, there is no relevant audit information of which the University's auditor is unaware.
- The governors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Approved on behalf of the Board of Governors on 22 November 2022 and signed on its behalf by:

Professor Q McKellar  
Vice-Chancellor and Chief Executive

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

# Statement of internal control

The following statement covers the year to 31 July 2022 and the period up to the date of approval of these financial statements.

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

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

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

The Board has established processes for the identification, evaluation and management of risks (business, operational, compliance and financial) the University Group faces. The Board has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This is in accordance with the responsibilities assigned to the governing body in Instrument and Articles of Government, Terms and Conditions of Funding, and the OfS Regulatory Notices 2, 5 and 9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

The Board has responsibility for reviewing the effectiveness of the system of internal control.

The following processes have been established:

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

- The Business Risk Manager acts as a central point of contact for risk management coordination and review, working closely with senior management to promote University-wide understanding and application of the risk management process.
  - Reviews of the adequacy and effectiveness of the University's risk management process are undertaken regularly by Internal Audit. The effective implementation of risk management arrangements is considered as part of the work undertaken on each audit, where appropriate.
  - The role of Internal Audit is to provide assurance on the University's internal control environment as well as its arrangements for risk management, governance, and value for money. It does this through the completion of a risk-based audit plan, which identifies how each audit contributes to the overall audit opinion, including each of these four elements as well as the arrangements for ensuring data quality. In completing their work, Internal Audit not only advises on internal controls but looks to add value to the overall operation of the University, considering both the present situation and the future impact on the areas reviewed.
  - The University's external auditors review the operating effectiveness of internal control over the key systems and income streams to the University. They consider Internal Audit reports to understand the scope of their work, any significant findings and their view on and contribution to the overall control environment.
  - A system of key performance and risk indicators is in place.
  - Procurement procedures are monitored to promote economy and efficiency and ensure value for money.
  - The Audit and Risk Committee receives and provides challenge to the individual audit reports from Internal Audit. This includes Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control and its arrangements for risk management and governance and for ensuring value for money and data quality. There were four areas where Internal Audit has made high priority recommendations to address significant issues or weaknesses in internal control identified during the course of their work.
- **Student Debt management:** to identify the potential for automating elements of the debt management processes and the development of debt management strategies for tuition and accommodation fee debt that fit with existing resources and account for student experience impacts.

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

These are summarised below:

- **Executive Governance Arrangements:** the need to review the Terms of Reference for both the Vice-Chancellor's Executive (VCE) and Chief Executive Group (CEG), incorporating their interrelationship, and advising the format for VCE and CEG meeting notes to formalise the recording and communication of executive decision and to use the development of a Scheme of Delegation to clarify the routes into and out of CEG and VCE for executive decisions.

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

### Opinion on the financial statements

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022 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; and
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of University of Hertfordshire ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2022 which comprise the 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).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the

preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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



- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

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

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

As explained more fully in the Responsibilities of the Board of Governors statement, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS") and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction and tax legislation. In order to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, we made enquiries of management and those charged with Governance about whether the entity is in compliance with such laws and regulations and we inspected any relevant regulatory and legal correspondence.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the actuarial assumptions used in the Local Government Pension Scheme (a defined benefit pension scheme) and the Universities Superannuation Scheme, assumptions used in the valuation of Investment Properties, the carrying value of liabilities under service concession arrangements, calculations of impairment provisions and the useful economic lives of fixed assets;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted by individuals outside of their expected job roles, and others deemed unusual based on our expectations;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Direct enquiry of the Accountable Officer.

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

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

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 with the OfS and UK Research and Innovation (including Research England) and the Education and Skills Funding Agency.

### **Use of our report**

This report is made solely to the governors, 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **James Aston MBE**

(Senior Statutory Auditor)

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

Date: 29 November 2022

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

# Financial statements

## Consolidated and University statement of comprehensive income for the year ended 31 July 2022

		2022		2021	
	Notes	Group £'000	University £'000	Group £'000	University £'000
Income					
Tuition fees and education contracts	1	235,345	235,233	205,332	205,326
Funding body grants	2	24,117	24,117	25,286	25,286
Research grants and contracts	3	10,136	9,037	9,921	8,965
Other income	4	68,020	42,193	58,235	38,002
Investment income	6	1,607	6,848	1,037	972
Donations and endowments	7	246	109	275	453
Total income		339,471	317,537	300,086	279,004
Expenditure					
Staff costs	8	170,553	150,679	159,886	142,175
Other operating expenses		139,417	134,830	116,273	112,976
Depreciation	13	18,448	16,334	17,286	15,507
Interest and other finance costs	9	3,912	3,426	3,732	3,203
Total expenditure	10	332,330	305,269	297,177	273,861
Surplus before other gains and losses and share of operating surplus of joint ventures					
		7,141	12,268	2,909	5,143
Gain on disposal of fixed assets		87	27	27	-
(Loss)/gain on investments	15	(1,030)	(1,006)	7,344	7,053
Share of operating surplus in joint ventures	17	96	-	193	-
Surplus before tax		6,294	11,289	10,473	12,196
Taxation	11	(34)	-	1	-
Surplus for the year		6,260	11,289	10,474	12,196
Actuarial gain in respect of pension schemes	31	98,098	97,945	27,447	26,359
Change in fair value of hedging financial instruments	25	339	-	291	-
Total comprehensive income for the year		104,697	109,234	38,212	38,555
Represented by:					
Endowment comprehensive income for the year		148	11	450	31
Restricted comprehensive income/(expenditure) for the year		299	(152)	260	353
Unrestricted comprehensive income for the year		104,250	109,375	37,514	38,183
Revaluation reserve comprehensive income/(expenditure) for the year		-	-	(12)	(12)
		104,697	109,234	38,212	38,555

**All results are from continuing operations.**

The notes on pages 46 to 89 form an integral part of these financial statements.



## Consolidated and University statement of changes in reserves for the year ended 31 July 2022

	Income and expenditure account			Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Group					
Balance at 1 August 2020	2,861	173	159,316	40,263	202,613
Surplus from the statement of comprehensive income	450	244	9,780	-	10,474
Other comprehensive income	-	291	27,447	-	27,738
Transfers between reserves	-	-	12	(12)	-
Release of restricted funds spent in year	-	(275)	275	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>450</b>	<b>260</b>	<b>37,514</b>	<b>(12)</b>	<b>38,212</b>
<b>Balance at 1 August 2021</b>	<b>3,311</b>	<b>433</b>	<b>196,830</b>	<b>40,251</b>	<b>240,825</b>
Surplus from the statement of comprehensive income	148	132	5,980	-	6,260
Other comprehensive income	-	339	98,098	-	98,437
Release of restricted funds spent in year	-	(172)	172	-	-
<b>Total comprehensive income for the year</b>	<b>148</b>	<b>299</b>	<b>104,250</b>	<b>-</b>	<b>104,697</b>
<b>Balance at 31 July 2022</b>	<b>3,459</b>	<b>732</b>	<b>301,080</b>	<b>40,251</b>	<b>345,522</b>
University					
Balance at 1 August 2020	782	109	170,804	39,122	210,817
Surplus from the statement of comprehensive income	31	516	11,649	-	12,196
Other comprehensive income	-	-	26,359	-	26,359
Transfers between reserves	-	-	12	(12)	-
Release of restricted funds spent in year	-	(163)	163	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>31</b>	<b>353</b>	<b>38,183</b>	<b>(12)</b>	<b>38,555</b>
<b>Balance at 1 August 2021</b>	<b>813</b>	<b>462</b>	<b>208,987</b>	<b>39,110</b>	<b>249,372</b>
Surplus from the statement of comprehensive income	11	167	11,111	-	11,289
Other comprehensive income	-	-	97,945	-	97,945
Release of restricted funds spent in year	-	(319)	319	-	-
<b>Total comprehensive income/(expenditure) for the year</b>	<b>11</b>	<b>(152)</b>	<b>109,375</b>	<b>-</b>	<b>109,234</b>
<b>Balance at 31 July 2022</b>	<b>824</b>	<b>310</b>	<b>318,362</b>	<b>39,110</b>	<b>358,606</b>

## Consolidated and University balance sheets for the year ended 31 July 2022

		2022		2021	
	Notes	Group £'000	University £'000	Group £'000	University £'000
Non-current assets					
Intangible assets	12	24	-	26	-
Goodwill	12	496	-	585	-
Fixed assets	13	337,859	307,366	326,708	295,139
Investments	15	33,681	79,165	33,099	85,570
Investment in joint ventures	17	611	-	962	-
		372,671	386,531	361,380	380,709
Current assets					
Stock		459	88	433	157
Trade and other receivables	18	51,978	47,222	40,885	38,521
Investments	19	51,716	51,716	30,458	30,458
Cash and cash equivalents		99,718	91,742	97,333	76,210
		203,871	190,768	169,109	145,346
Creditors: amounts falling due within one year	20	(141,258)	(137,064)	(114,746)	(110,099)
Net current assets		62,613	53,704	54,363	35,247
Total assets less current liabilities					
		435,284	440,235	415,743	415,956
Creditors: amounts falling due after more than one year	21	(84,794)	(76,661)	(87,891)	(79,150)
Provisions					
Pension provisions	23	(4,565)	(4,565)	(86,624)	(87,031)
Provisions for liabilities	23	(403)	(403)	(403)	(403)
Total net assets					
		345,522	358,606	240,825	249,372
Restricted reserves					
Income and expenditure reserve – endowment reserve	24	3,459	824	3,311	813
Income and expenditure reserve – restricted reserve	25	732	310	433	462
Unrestricted reserves					
Income and expenditure reserve – unrestricted		301,080	318,362	196,830	208,987
Revaluation reserve		40,251	39,110	40,251	39,110
Total reserves		345,522	358,606	240,825	249,372

The Financial Statements were approved and authorised for issue by the Board of Governors on 22 November 2022 and signed on its behalf by:

**Dr L Drummond**  
Chair

**Professor Q McKellar**  
Vice-Chancellor

**Mr A Moffat**  
Group Finance Director

## Consolidated statement of cash flows for the year ended 31 July 2022

	Notes	2022 £'000	2021 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year before taxation		<b>6,294</b>	10,473
<b>Adjustment for non-cash items</b>			
Depreciation	13	<b>18,448</b>	17,286
Amortisation of intangibles	12	<b>2</b>	2
Amortisation of goodwill	12	<b>89</b>	89
Loss/(gain) on investments	15	<b>1,030</b>	(7,344)
Increase in stock		<b>(26)</b>	(127)
Increase in debtors		<b>(10,539)</b>	(11,235)
Increase in creditors		<b>26,788</b>	30,665
Increase in pension provision		<b>16,039</b>	11,475
Share of operating surplus in joint ventures	17	<b>(96)</b>	(193)
<b>Adjustment for investing or financing activities</b>			
Investment income	6	<b>(1,607)</b>	(1,037)
Interest payable		<b>2,295</b>	2,233
Endowment income	24	<b>(103)</b>	(78)
Profit on the sale of fixed assets		<b>(87)</b>	(27)
Capital grant income		<b>(3,847)</b>	(3,600)
<b>Cash inflow from operating activities</b>		<b>54,680</b>	48,582
Taxation		<b>(34)</b>	1
Share of tax in joint ventures		<b>47</b>	36
<b>Net cash inflow from operating activities</b>		<b>54,693</b>	48,619
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		<b>66</b>	42
Capital grant receipts		<b>3,566</b>	2,545
Disposal of non-current asset investments		<b>-</b>	273
Dividends received from joint ventures		<b>400</b>	-
Withdrawal of deposits		<b>12,000</b>	24,816
Investment income		<b>911</b>	980
Payments made to acquire fixed assets		<b>(29,714)</b>	(20,306)
New non-current asset investments		<b>(100)</b>	-
New deposits		<b>(34,259)</b>	(12,230)
<b>Net cash inflow used in investing activities</b>		<b>(47,130)</b>	(3,880)
<b>Cash flows from financing activities</b>			
Interest paid		<b>(1,631)</b>	(1,509)
Interest element of finance lease and service concession payments		<b>(668)</b>	(712)
New endowments		<b>137</b>	100
Endowment payments		<b>(34)</b>	(22)
Repayments of amounts borrowed		<b>(2,132)</b>	(2,087)
Capital element of finance lease and service concession payments		<b>(850)</b>	(822)
<b>Net cash outflow used in financing activities</b>		<b>(5,178)</b>	(5,052)
<b>Increase in cash for the year</b>		<b>2,385</b>	39,687
<b>Cash and cash equivalents at beginning of the year</b>		<b>97,333</b>	57,646
<b>Cash and cash equivalents at end of the year</b>		<b>99,718</b>	97,333

## Statement of principal accounting policies

### A. Basis of preparation

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

### Going concern

As explained in the Statement of Corporate Governance, The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future, and for this reason the Board considers that the financial statements of the University and the Group should be prepared on a going-concern basis. The Group has made financial surpluses for the last 11 years (other than 2019-20 which was primarily caused by the need to release students from accommodation contracts and because of the actuarial adjustment in the LGPS) and has cash reserves at a high level.

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

The University finished the 2021-22 financial year with cash deposits and investments of £151 million. Based on the budget for 2022-23, being the most likely scenario, cash and investments at the end of the coming year would be £90 million. External debt would be paid down to £54 million, ensuring that gearing remains low relative to both the historic position and to the sector more widely.

Each subsidiary company has demonstrated that its cash reserves will be sufficient to continue trading for the foreseeable future (to 31 December 2023). Borrowing facilities from the University are in place should any of them require financial assistance for working capital on a short-term basis.

The capital expenditure programme has been reviewed by a senior panel to ascertain key priorities and has been budgeted as such. In the 2022-23 financial year, the largest project (the School of Physics, Engineering and Computer Science Building) will cost about £42 million, with the majority of other projects being considerably smaller in scope and value. There are options for delaying some projects should the need arise.

The budget for 2022-23 was approved on the basis of achieving a small surplus after any LGPS adjustment and the medium- and long-term cash forecasts demonstrate financial sustainability. Investments in fixed assets are carefully reviewed prior to approval. The Board only undertakes such investments with the knowledge that the Group will remain solvent and that value is likely to be added as a result of the investment. Although no new external borrowing is likely to be required in the near term, the Board is confident that funding would be available from its lenders should the need arise.

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

### B. Basis of consolidation

The consolidated financial statements include those of the University and its subsidiary undertakings and jointly controlled entities for the year ended 31 July 2022. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income and expenditure from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated on consolidation.

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

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

### C. Recognition of income

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



### C. Recognition of income (continued)

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

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

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

#### Grant income

Government revenue grants, including funding body block grants and research grants, are recognised in income over the periods in which the Group recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Government capital grants are 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 three main types of donations and endowments identified within reserves:

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

### D. Employee benefits

#### Short-term employee benefits

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

#### Retirement benefits – defined benefit plans

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

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

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

#### D. Employee benefits (continued)

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

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

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

#### Retirement benefits – defined contribution plans

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

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

#### E. Foreign currency transactions

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

#### F. Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Taxes Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

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

## G. Fixed assets

### Land and buildings

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

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

Freehold buildings	30-60 years
Refurbishments	3-50 years

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

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

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

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

### Equipment

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

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

## H. Intangible assets and goodwill

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

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

## I. Investments

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

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

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

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

## J. Stock

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

**K. Cash and cash equivalents**

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

**L. Provisions, contingent liabilities and contingent assets**

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

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

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

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

**M. Leases and service concession arrangements****Operating leases**

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

**Finance leases**

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

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

**Service concession arrangements**

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

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

**N. Financial instruments**

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

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

**O. Derivatives**

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

**P. Reserves**

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

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

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



## Accounting estimates and judgements

In the application of its accounting policies as detailed on pages 46 to 50, the Group is required to make estimates, assumptions and judgements that affect the reported amount of assets, liabilities, income, and expenditure. These estimates, associated assumptions and judgements are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### a. Estimates

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

#### i. Pension provisions

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

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

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

#### ii. Investment properties

Investment properties are stated at fair value with annual review and revaluation to reflect the market conditions. In drawing their conclusion on the value of the properties, management and/or the external valuer consider the purpose of the property, the level of occupancy, economic factors, and the climate of the property market in general. The Group's investment properties were last reviewed by external valuers as at 31 July 2021 and have subsequently been assessed by internal review as at 31 July 2022.

#### iii. Recoverability of debtors

Estimation is involved in the assessment of the recoverability of debtors and the calculation of the associated bad debt provision. Factors such as the age of the debt, prior experience and recoverability statistics are included in management's assessment.

#### iv. Service concession arrangements

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

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

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

#### vi. Provision for impairments

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

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

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

### b. Judgements

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

## Notes to the accounts

### 1. Tuition fees and education contracts

	2022	2022	2021	2021
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	110,172	110,172	127,844	127,844
Full-time international students	108,228	108,228	61,173	61,173
Part-time students	13,976	13,864	12,846	12,840
Education contracts	2,969	2,969	3,469	3,469
	235,345	235,233	205,332	205,326

### 2. Funding body grants

	2022	2021
	£'000	£'000
<b>Group and University</b>		
<b>Recurrent grant</b>		
Office for Students (OfS)	11,683	11,956
Research England	4,823	4,840

#### Specific grant

Higher Education Innovation Fund	3,528	3,820
Capital grants	2,910	2,798
Education and Skills Funding Agency (ESFA)	89	33
Other specific grants	1,084	1,839
	24,117	25,286

### 3. Research grants and contracts

	2022	2022	2021	2021
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Research councils	3,076	2,790	3,434	2,932
Research charities	827	732	618	509
Government (UK and overseas)	4,021	3,996	4,260	4,148
Industry and commerce	1,288	583	452	219
Other grants and contracts	924	936	1,157	1,157
	10,136	9,037	9,921	8,965

**4. Other income**

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Residences, catering and conferences	28,372	27,323	25,325	24,697
Other services rendered	30,579	6,199	22,900	5,225
Other capital grants	937	911	802	748
Other income	8,132	7,760	9,208	7,332
	68,020	42,193	58,235	38,002

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

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Grant income from the OfS	15,446	15,446	16,099	16,099
Grant income from other bodies	22,751	20,950	25,257	20,134
Fee income for taught awards	228,007	228,007	199,515	199,515
Fee income for degree apprenticeships – ESFA	3,841	3,841	3,192	3,192
Fee income for research awards	1,402	1,402	1,260	1,260
Fee income for non-qualifying courses	2,095	1,982	1,365	1,359
	273,542	271,628	246,688	241,559

**6. Investment income**

		2022	2022	2021	2021
	Notes	Group £'000	University £'000	Group £'000	University £'000
Investment income on endowments	24	67	8	59	4
Dividend income		278	5,628	256	256
Other investment income		1,262	1,212	722	712
		1,607	6,848	1,037	972

**7. Donations and endowments**

		2022	2022	2021	2021
	Notes	Group £'000	University £'000	Group £'000	University £'000
Donations with restrictions		109	109	175	453
New endowments	24	137	-	100	-
		246	109	275	453

**8. Staff costs**

	Notes	2022	2022	2021	2021
		Group £'000	University £'000	Group £'000	University £'000
Salaries		<b>119,908</b>	<b>103,742</b>	115,894	100,983
Social security costs		<b>13,190</b>	<b>11,520</b>	12,193	10,694
Movement on pension provision	31	<b>14,422</b>	<b>13,858</b>	9,977	9,888
Other pension costs	31	<b>23,033</b>	<b>21,559</b>	21,822	20,610
		<b>170,553</b>	<b>150,679</b>	159,886	142,175

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

	2022	2021
	Number	Number
Academic	<b>1,185</b>	1,121
Research	<b>132</b>	124
Professional	<b>955</b>	969
Technical	<b>109</b>	102
Other	<b>420</b>	399
	<b>2,801</b>	2,715

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

	2022	2021
	Number	Number
£100,000 - £105,000	<b>5</b>	3
£110,001 - £115,000	<b>1</b>	3
£115,001 - £120,000	<b>1</b>	1
£120,001 - £125,000	<b>3</b>	1
£125,001 - £130,000	<b>1</b>	2
£130,001 - £135,000	<b>1</b>	1
£155,001 - £160,000	<b>1</b>	1
£195,001 - £200,000	<b>-</b>	1
£200,001 - £205,000	<b>1</b>	-
£295,001 - £300,000	<b>-</b>	1
£300,001 - £305,000	<b>1</b>	-
	<b>15</b>	14

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



## 8. Staff costs (continued)

### Total remuneration package of the Vice-Chancellor

	2022	2021
	£'000	£'000
Basic salary	300	296
Payments in lieu of pension contributions	33	40
Pension contributions	26	17
Benefits in kind	1	1
	<b>360</b>	<b>354</b>

The figures reported above relate to the remuneration paid to the Vice-Chancellor in 2021-22 and includes the cost-of-living uplift of 1.5% that was awarded in October 2021.

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

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

The remuneration of the Vice-Chancellor is considered by the Vice-Chancellor's Remuneration Committee (VCRC), chaired by an independent member of the Board (who is not the Chair of the Board of Governors). The Vice-Chancellor is not a member of the committee and does not attend.

The committee meets in the autumn term and reviews performance in the previous year as well as the remuneration package to be awarded for the following year.

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

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

The following was also taken into account:

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

Additionally, the committee was also cognisant of the context in which the Vice-Chancellor is operating. The Vice-Chancellor is the head of a complex institution, with just under 32,000 students studying in the UK and over 6,500 studying University courses worldwide. It has a staff base of approximately 2,800 FTE and a turnover of £340 million.

Of University of Hertfordshire students studying in the UK, over 50% are female, over 60% 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 is ranked in the top 25% of all universities in terms of research impact, and 78% of our research has been ranked 'world-leading' or 'internationally excellent' in the 2021 Research Excellence Framework results. It is a major employer in the county and has significant impact in the local economy. The University is extremely flexible in terms of its offering and provides opportunities to study from foundation degree level to PhD and has embraced two-year degrees, apprenticeships and online learning. It has a number of partner organisations which are validated to run University programmes.

## 8. Staff costs (continued)

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

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

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

The Vice-Chancellor's basic salary is 8.52 times (2021: 8.50 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 9.49 times (2021: 9.67 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

	2022	2021
	£'000	£'000
Staff costs for key management personnel	968	931

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 (2021: £nil). No expenses were paid to members of the governing body during the year. In the prior year, total expenses of £1,000 were paid to five members of the governing body. This represented travel and subsistence expenses incurred in attending committee meetings and other events in their official capacity.

### Compensation for loss of office

	2022	2021
	£'000	£'000
Compensation for loss of office payable	102	134
	Number	Number
Number of staff receiving compensation for loss of office	13	20

The Vice-Chancellor and the key management personnel received no compensation for loss of office during the year (2021: £nil).

**9. Interest and other finance costs**

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Loan interest	1,557	1,557	1,519	1,518
Finance lease and service concession interest	668	180	712	195
Exchange differences and other interest	70	68	2	-
Net charge on pension schemes	1,617	1,621	1,499	1,490
	<b>3,912</b>	<b>3,426</b>	3,732	3,203

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

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Academic departments	136,574	135,438	116,416	115,276
Academic services	40,648	42,690	37,021	39,118
Administration	43,733	50,793	42,188	47,606
Premises	29,713	28,469	29,172	27,696
Residences, catering and conferences	35,992	35,095	33,420	32,596
Research grants and contracts	9,162	8,408	7,924	7,305
Other expenses	36,508	4,376	31,036	4,264
	<b>332,330</b>	<b>305,269</b>	297,177	273,861

**Other operating expenses include:**

		2022	2022	2021	2021
	Notes	Group £'000	University £'000	Group £'000	University £'000
External auditors remuneration in respect of audit services		185	129	115	78
External auditors remuneration in respect of non-audit services		19	19	23	19
Operating lease rentals	28	19,921	21,562	20,116	21,743

**11. Taxation**

	<b>2022</b>	2021
	<b>Group £'000</b>	Group £'000
UK corporation tax on result for the year	<b>6</b>	19
Group relief receivable	<b>(6)</b>	(19)
Adjustment in respect of prior years	-	4
<b>Current tax charge</b>	-	4
Origination and reversal of timing differences	<b>34</b>	(5)
<b>Deferred tax</b>	<b>34</b>	(5)
<b>Tax charge/(credit) for the year</b>	<b>34</b>	(1)

**Tax reconciliation:**

Surplus on ordinary activities before tax	<b>6,294</b>	10,473
<b>Surplus on ordinary activities multiplied by standard rate in the UK (19.0%) (2021: 19.0%)</b>	<b>1,196</b>	1,990
<b>Effects of:</b>		
Depreciation for the period in excess of capital allowances	<b>41</b>	(88)
Non-taxable income/expenditure	<b>(4,079)</b>	(4,195)
Expenses not deductible for tax purposes	<b>(2)</b>	6
Group relief surrendered	<b>6</b>	19
Group relief receipt	<b>(6)</b>	(19)
Tax losses not utilised	<b>110</b>	180
Tax losses brought forward	<b>(21)</b>	(24)
Tax losses brought forward surrendered as group relief	<b>34</b>	(86)
Timing differences relating to pension liability	<b>2,789</b>	2,217
Other timing differences	<b>(34)</b>	(5)
Adjustment in respect of prior years	-	4
<b>Tax charge/(credit) for the year</b>	<b>34</b>	(1)

There is no tax charge attributable to the University for 2022 (2021: £nil).

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

At 1 August 2021	26
Amortisation	(2)
<b>At 31 July 2022</b>	<b>24</b>

**Goodwill**

At 1 August 2021	585
Amortisation	(89)
<b>At 31 July 2022</b>	<b>496</b>

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



**13. Fixed assets**

13. Fixed assets	Land and Buildings					
	Freehold £'000	Service concession arrangement £'000	Assets in the course of construction £'000	Fixtures, fittings and equipment £'000	Plant and machinery £'000	Total £'000
Group						
Cost or valuation						
At 1 August 2021	374,801	8,178	19,301	111,598	26,079	539,957
Additions at cost	1,338	-	21,840	4,203	2,227	29,608
Transfers	3,503	-	(12,752)	4,003	5,246	-
Disposals in year	-	-	-	(652)	(455)	(1,107)
At 31 July 2022	379,642	8,178	28,389	119,152	33,097	568,458
Depreciation						
At 1 August 2021	122,114	2,451	-	78,042	10,642	213,249
Charge for the year	6,448	136	-	9,982	1,882	18,448
Depreciation on disposals	-	-	-	(643)	(455)	(1,098)
At 31 July 2022	128,562	2,587	-	87,381	12,069	230,599
Net book value						
At 31 July 2022	251,080	5,591	28,389	31,771	21,028	337,859
At 31 July 2021	252,687	5,727	19,301	33,556	15,437	326,708

	Land and Buildings					
	Freehold £'000	Service concession arrangement £'000	Assets in the course of construction £'000	Fixtures, fittings and equipment £'000	Plant and machinery £'000	Total £'000
University						
Cost or valuation						
At 1 August 2021	324,214	8,178	18,972	108,695	16,923	476,982
Additions at cost	1,338	-	21,750	3,901	1,581	28,570
Transfers	3,503	-	(12,426)	4,004	4,919	-
Disposals in year	-	-	-	(299)	-	(299)
At 31 July 2022	329,055	8,178	28,296	116,301	23,423	505,253
Depreciation						
At 1 August 2021	98,511	2,451	-	75,883	4,998	181,843
Charge for the year	5,558	136	-	9,376	1,264	16,334
Depreciation on disposals	-	-	-	(290)	-	(290)
At 31 July 2022	104,069	2,587	-	84,969	6,262	197,887
Net book value						
At 31 July 2022	224,986	5,591	28,296	31,332	17,161	307,366
At 31 July 2021	225,703	5,727	18,972	32,812	11,925	295,139

### 13. Fixed assets (continued)

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

	2022	2021
	<b>Buildings £'000</b>	Buildings £'000
Cost	<b>15,940</b>	15,940
Accumulated depreciation brought forward	<b>(6,154)</b>	(5,848)
Charge for the year	<b>(306)</b>	(306)
<b>Net book value</b>	<b>9,480</b>	9,786

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

The amount of finance costs capitalised in the year amounts to £nil (*2021: £nil*). There were no assets constructed during the year financed by loan capital. The accumulated amount of capitalised finance costs is £1.8 million, which is included in freehold land and buildings.

During the year ended 31 July 2022 a review was undertaken of the value of the estate belonging to the Group. The review considered the current value in use of all buildings and was conducted by the University's Director of Estates. All properties were still suitable for current activities and no impairment was required.

Land and buildings include £55.6 million of land which is not depreciated (*2021: £55.6m*).

#### 14. Service concession arrangements

The Group has two service concession arrangements.

##### i. de Havilland campus

During 1999 the University entered into a Private Finance Initiative scheme with a contractor for the construction of residential accommodation for 1,600 students and sports facilities, and for the facilities management of those premises for a period of 30 years. Construction was completed in 2003 and under the terms of the scheme the contractor raised the finance for the construction of the buildings. The assets and liabilities relating to this scheme are recognised on the Group's balance sheet. Service commenced on 1 August 2003 and the contract will finish on 31 July 2033. The charge to the Group statement of comprehensive income for rent and service charges is £11.0 million (2021: £10.4 million). These charges are recorded within other operating expenses and are subject to annual RPI inflation.

##### ii. College Lane campus

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

#### Movement in service concession arrangement assets

The asset value of the service concession included in the balance sheet as at 31 July 2022 is £5,591,000 (2021: £5,727,000). 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 2022 were £2,997,000 (2021: £3,270,000). The difference is principal repaid of £273,000 during the year.

#### Future commitments

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

	Liability repayments £'000	Finance charge £'000	Service charge £'000	2022 Total £'000	2021 Total £'000
<b>Group and University</b>					
Due within one year	273	165	3,830	<b>4,268</b>	4,283
Due between one and two years	273	150	3,830	<b>4,253</b>	4,268
Due between two and five years	1,090	450	15,320	<b>16,860</b>	16,920
Due in five years or more	1,361	225	19,150	<b>20,736</b>	24,929
	<b>2,997</b>	<b>990</b>	<b>42,130</b>	<b>46,117</b>	50,400

**15. Non-current investments**

	Investment properties £'000	Other non-current investments £'000	Total £'000
<b>Group</b>			
At 1 August 2021	21,726	11,373	33,099
Additions	-	611	611
Loss on revaluation	-	(29)	(29)
<b>At 31 July 2022</b>	<b>21,726</b>	<b>11,955</b>	<b>33,681</b>

	Subsidiary companies £'000	Investment properties £'000	Other non-current investments £'000	Total £'000
<b>University</b>				
At 1 August 2021	59,945	16,785	8,840	85,570
Additions	-	-	511	511
Return of investment	(5,500)	-	-	(5,500)
Loss on revaluation	-	-	(4)	(4)
Impairment	(1,412)	-	-	(1,412)
<b>At 31 July 2022</b>	<b>53,033</b>	<b>16,785</b>	<b>9,347</b>	<b>79,165</b>

Other non-current investments consist of:

	Total £'000
<b>Group</b>	
Uliving@Hertfordshire plc	8,462
COIF Charities Investment Fund	2,993
Other investments	500
<b>At 31 July 2022</b>	<b>11,955</b>

	Total £'000
<b>University</b>	
Uliving@Hertfordshire plc	8,462
COIF Charities Investment Fund	848
Other investments	37
<b>At 31 July 2022</b>	<b>9,347</b>

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

	<b>2022</b>	<b>2022</b>	2021	2021
<b>Gain/(loss) on investments</b>	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Gain on revaluation of investment properties	-	-	4,520	4,520
Gain on disposal of non-current investments	-	-	64	64
Gain/(loss) on revaluation of other non-current investments	<b>(29)</b>	<b>(5)</b>	378	87
Gain/(loss) on revaluation of current investments	<b>(1,001)</b>	<b>(1,001)</b>	2,382	2,382
	<b>(1,030)</b>	<b>(1,006)</b>	7,344	7,053

The University's subsidiary companies are listed in note 16. They are stated at cost less any provision for impairment. During the year, UH Holdings Limited paid a dividend to the University of £10,850,000. Part of this dividend (£5,500,000) has been treated as a return of the investment. The value was estimated at the time the dividend was paid to reflect the impairment of the carrying value of UH Holdings Limited as a result of the dividend payment. Subsequently there was a further impairment of £1,412,000 to the carrying value of the investment in UH Holdings Limited due to changes in the activities of the Exemplas Group.

On transition to FRS 102 on 1 August 2014, a number of the premises owned by the Group were reclassified as investment properties and these are held on the balance sheet at fair value. The value of investment properties was last assessed by an independent valuer (Lambert Smith Hampton) with a recognised and relevant professional qualification as at 31 July 2021, and their value was adjusted accordingly. Subsequent internal review was carried out as at 31 July 2022 by the Director of Estates (RICS) and it was concluded that no further adjustment to value was needed at this stage.

The University holds £8,059,996 of Class B Loan Notes in Uliving@Hertfordshire plc, the company which developed and operates the student residential accommodation on the College Lane campus. Interest accrues at RPI plus 6% until the target internal rate of return is reached and at RPI plus 9% thereafter. At the balance sheet date, the carrying amount of the investment includes accrued capitalised interest of £2,563,696 (2021: £1,763,630). 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 (2021: £nil) were redeemed.



## 16. Subsidiary undertakings

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

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

The value of the investment in subsidiary undertakings in note 15 held by the University of £53,033,000 (2021: £59,945,000), relates solely to UH Holdings Limited.

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

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

Exemplas Holdings Limited ceased to trade on 31 July 2021 and its activities were transferred to Exemplas Limited with effect 1 August 2021.

The subsidiary company of Exemplas Limited is registered in England and Wales, wholly owned and is as follows:

Company	Nature of business	% shareholding
Exemplas Trade Services Limited	Provision of services to business	100%

The company ceased to trade on 30 June 2022.

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

## 17. Investment in joint ventures

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

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

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

Exemplas Limited has a 50% shareholding in Enterprise Growth Solutions Limited. The remaining 50% of shares are held by REED in Partnership Limited. The company ceased to trade on 30 June 2022.

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.

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

	University Campus St Albans Limited 2022 £'000	Uno Buses (Northampton) Limited 2022 £'000	Enterprise Growth Solutions Limited 2022 £'000	Total 2022 £'000
<b>Group</b>				
<b>Statement of comprehensive income</b>				
Income	312	1,234	1,765	3,311
Surplus/(deficit) before tax	(75)	(73)	244	96
Tax charge	-	-	(47)	(47)
Distribution paid in the year	-	-	(400)	(400)
<b>Balance sheet</b>				
Fixed assets	-	43	-	43
Current assets	154	178	710	1,042
Creditors: amounts falling due within one year	(19)	(169)	(236)	(424)
Creditors: amounts falling due after more than one year	-	(50)	-	(50)
<b>Share of net assets</b>	<b>135</b>	<b>2</b>	<b>474</b>	<b>611</b>
	2021 £'000	2021 £'000	2021 £'000	2021 £'000

## Group

### Statement of comprehensive income

Income	400	1,360	2,109	3,869
Surplus/(deficit) before tax	42	(19)	170	193
Tax charge	-	(4)	(32)	(36)

### Balance sheet

Fixed assets	1	53	-	54
Current assets	239	261	1,189	1,689
Creditors: amounts falling due within one year	(30)	(176)	(475)	(681)
Creditors: amounts falling due after more than one year	-	(63)	(37)	(100)
<b>Share of net assets</b>	<b>210</b>	<b>75</b>	<b>677</b>	<b>962</b>

**18. Trade and other receivables**

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
Research grants receivable	<b>4,244</b>	<b>4,134</b>	2,040	1,968
Other trade receivables	<b>37,981</b>	<b>36,893</b>	28,949	28,370
Other receivables	<b>476</b>	<b>31</b>	387	17
Prepayments and accrued income	<b>8,721</b>	<b>5,295</b>	9,165	6,183
Amounts due from subsidiaries	<b>-</b>	<b>869</b>	-	1,854
Amounts due from related undertakings	<b>134</b>	<b>-</b>	261	129
Derivatives	<b>422</b>	<b>-</b>	83	-
	<b>51,978</b>	<b>47,222</b>	40,885	38,521

A deferred tax asset of £895,000 (2021: £802,000) in relation to tax losses has not been recognised due to uncertainty as to the extent and timing of relief. Management will continue to assess this situation on an annual basis and update their estimate as appropriate.

**19. Current investments**

	<b>2022</b>	2021
	<b>£'000</b>	£'000
<b>Group and University</b>		
Short-term deposits	<b>51,716</b>	30,458
	<b>51,716</b>	30,458

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

	Notes	2022	2022	2021	2021
		Group £'000	University £'000	Group £'000	University £'000
Unsecured loans		<b>2,172</b>	<b>2,172</b>	2,132	2,132
Obligation under finance leases		<b>608</b>	-	577	-
Service concession arrangements	14	<b>273</b>	<b>273</b>	273	273
Trade payables		<b>6,509</b>	<b>5,726</b>	8,132	7,531
Other payables		<b>4,094</b>	<b>4,001</b>	4,458	3,973
Social security and other taxation payable		<b>4,090</b>	<b>3,570</b>	5,019	4,054
Amounts due to subsidiaries		-	<b>1,277</b>	-	1,080
Amounts due to related undertakings		<b>278</b>	<b>153</b>	136	5
Accruals and deferred income		<b>123,234</b>	<b>119,892</b>	94,019	91,051
		<b>141,258</b>	<b>137,064</b>	114,746	110,099

**Deferred income**

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

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Research grants received on account	<b>1,557</b>	<b>1,557</b>	1,299	1,299
Other grant income	<b>55</b>	<b>55</b>	99	99
	<b>1,612</b>	<b>1,612</b>	1,398	1,398

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

		<b>2022</b>	<b>2022</b>	2021	2021
	Notes	<b>Group</b>	<b>University</b>	Group	University
		<b>£'000</b>	<b>£'000</b>	£'000	£'000
Deferred income		<b>28,605</b>	<b>28,605</b>	28,650	28,649
Service concession arrangements	14	<b>2,724</b>	<b>2,724</b>	2,997	2,997
Obligation under finance leases		<b>8,133</b>	-	8,740	-
Unsecured loans		<b>45,332</b>	<b>45,332</b>	47,504	47,504
		<b>84,794</b>	<b>76,661</b>	87,891	79,150

**Deferred income**

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

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>Group</b>	<b>University</b>	Group	University
	<b>£'000</b>	<b>£'000</b>	£'000	£'000
<b>Analysis of unsecured loans</b>				
<b>Due within one year or on demand</b>	<b>2,172</b>	<b>2,172</b>	2,132	2,132
Due between one and two years	<b>2,233</b>	<b>2,233</b>	2,172	2,172
Due between two and five years	<b>7,011</b>	<b>7,011</b>	6,850	6,850
Due in five years or more	<b>36,088</b>	<b>36,088</b>	38,482	38,482
<b>Due after more than one year</b>	<b>45,332</b>	<b>45,332</b>	47,504	47,504
<b>Total unsecured loans repayable by 2043</b>	<b>47,504</b>	<b>47,504</b>	49,636	49,636

**Unsecured loans**

All loans are unsecured bank loans borrowed by the University.

<b>Interest rate %</b>	<b>Term</b>	<b>Amount</b>
		<b>£'000</b>
5.42	2032	<b>3,449</b>
Base + 0.16	2030	<b>1,889</b>
5.38	2042	<b>6,405</b>
5.15	2042	<b>1,793</b>
4.5	2042	<b>15,593</b>
SONIA + 0.60 + CAS (0.12)	2043	<b>14,167</b>
Base + 0.16	2037	<b>4,208</b>
<b>Total unsecured loans</b>		<b>47,504</b>

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

	<b>2022</b>	2021
	<b>Group</b>	Group
	<b>£'000</b>	£'000
<b>Analysis of finance lease obligations:</b>		
<b>Due within one year or on demand</b>	<b>608</b>	577
Due between one and two years	<b>639</b>	608
Due between two and five years	<b>2,126</b>	2,020
Due in five years or more	<b>5,368</b>	6,112
<b>Due after more than one year</b>	<b>8,133</b>	8,740
<b>Total obligations under finance lease</b>	<b>8,741</b>	9,317

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



## 22. Financial instruments

		2022	2022	2021	2021
	Notes	Group £'000	University £'000	Group £'000	University £'000
Financial assets					
Measured at fair value through statement of comprehensive income					
Investments in common investments funds	15	2,993	848	2,923	852
Other current investments	19	18,458	18,458	18,458	18,458
Derivative financial instruments	18	422	-	83	-
Measured at cost less impairment					
Other non-current investments	15	8,962	61,532	8,450	67,933
Measured at amortised cost					
Cash and cash equivalents		99,718	91,742	97,333	76,210
Other current investments	19	33,258	33,258	12,000	12,000
Trade and other receivables	18	42,835	41,927	31,637	32,338
Measured at amortised cost					
Loans payable	21	47,504	47,504	49,636	49,636
Obligation under finance leases	21	8,741	-	9,317	-
Obligation under service concession arrangements	14	2,997	2,997	3,270	3,270
Trade creditors	20	6,509	5,726	8,132	7,531
Other creditors	20	4,094	4,001	4,458	3,973

### Derivative financial instruments

A subsidiary company, Universitybus Limited, has entered into commodity swaps for the period to January 2023. The swaps give rise to monthly cash flow exchanges with counterparties to offset the underlying settlement of floating fuel price costs. Gains or losses on fuel derivatives are recycled from reserves to the consolidated statement of comprehensive income on qualifying hedges to achieve fixed-rate fuel costs within operating results. The commodity swaps are designated and effective as hedging instruments. They are measured at fair value and are included in the financial statements as noted above and in note 25. The gains transferred from reserves into the consolidated statement of comprehensive income during the year are included within other operating expenses.

**23. Provision for liabilities**

	<b>Obligation to fund deficit on USS pension £'000</b>	<b>Defined benefit obligation £'000</b>	<b>Total pension provisions £'000</b>	<b>Other provisions £'000</b>	<b>Total £'000</b>
<b>Group</b>					
At 1 August 2021	997	85,627	86,624	403	87,027
Utilised in year	(49)	(8,199)	(8,248)	(44)	(8,292)
(Decrease)/increase in provision	1,575	(75,386)	(73,811)	44	(73,767)
<b>At 31 July 2022</b>	<b>2,523</b>	<b>2,042</b>	<b>4,565</b>	<b>403</b>	<b>4,968</b>

**University**

At 1 August 2021	997	86,034	87,031	403	87,434
Utilised in year	(49)	(8,118)	(8,167)	(44)	(8,211)
(Decrease)/increase in provision	1,575	(75,874)	(74,299)	44	(74,255)
<b>At 31 July 2022</b>	<b>2,523</b>	<b>2,042</b>	<b>4,565</b>	<b>403</b>	<b>4,968</b>

**Universities Superannuation Scheme deficit (USS)**

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

**Defined benefit obligation**

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

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

**Other provisions**

The balance carried forward at 31 July 2022 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**

	Notes	Restricted permanent £'000	Unrestricted permanent £'000	2022 Total £'000	2021 Total £'000
<b>Group</b>					
<b>Balance at 1 August</b>					
Capital		2,255	621	<b>2,876</b>	2,451
Accumulated income		243	192	<b>435</b>	410
		<b>2,498</b>	<b>813</b>	<b>3,311</b>	2,861
New endowments	7	137	-	<b>137</b>	100
Investment income	6	59	8	<b>67</b>	59
Expenditure		(34)	-	<b>(34)</b>	(22)
Transfer to restricted reserve		-	-	<b>-</b>	(5)
Increase in market value of investments		(25)	3	<b>(22)</b>	318
<b>Balance at 31 July</b>		<b>2,635</b>	<b>824</b>	<b>3,459</b>	3,311
<b>Represented by:</b>					
Capital		2,392	624	<b>3,016</b>	2,876
Accumulated income		243	200	<b>443</b>	435
<b>Total</b>		<b>2,635</b>	<b>824</b>	<b>3,459</b>	3,311
<b>Analysis by type or purpose:</b>					
Scholarships and bursaries		2,635	-	<b>2,635</b>	2,498
General		-	824	<b>824</b>	813
		<b>2,635</b>	<b>824</b>	<b>3,459</b>	3,311
<b>Analysis by asset:</b>					
Current and non-current investments		2,345	169	<b>2,514</b>	2,236
Cash and cash equivalents		290	655	<b>945</b>	1,075
		<b>2,635</b>	<b>824</b>	<b>3,459</b>	3,311

**24. Endowments (continued)**

<b>Unrestricted permanent</b>	Notes	<b>2022 Total £'000</b>	<b>2021 Total £'000</b>
<b>University</b>			
<b>Balance at 1 August</b>			
Capital		<b>621</b>	594
Accumulated income		<b>192</b>	188
		<b>813</b>	782
Investment income	6	<b>8</b>	4
Increase in market value of investments		<b>3</b>	27
<b>Balance at 31 July</b>		<b>824</b>	813
<b>Represented by:</b>			
Capital		<b>624</b>	621
Accumulated income		<b>200</b>	192
<b>Total</b>		<b>824</b>	813
<b>Analysis by type or purpose:</b>			
General		<b>824</b>	813
		<b>824</b>	813
<b>Analysis by asset:</b>			
Current and non-current investments		<b>168</b>	166
Cash and cash equivalents		<b>656</b>	647
		<b>824</b>	813

## 25. Restricted reserves

	Cash flow hedge reserve £'000	Donations £'000	2022 Total £'000	2021 Total £'000
<b>Group</b>				
<b>Balance at 1 August</b>	83	350	<b>433</b>	173
Donations	-	132	<b>132</b>	236
Expenditure	-	(172)	<b>(172)</b>	(274)
Investment income	-	-	-	1
Gains on investments	-	-	-	1
Transfer from endowment reserves	-	-	-	5
Change in fair value of hedging financial instruments	339	-	<b>339</b>	291
<b>Total restricted comprehensive income/(expenditure) for the year</b>	<b>339</b>	<b>(40)</b>	<b>299</b>	260
<b>Balance at 31 July</b>	<b>422</b>	<b>310</b>	<b>732</b>	433
<b>Analysis of donations by type or purpose:</b>				
Research support		75	<b>75</b>	109
Scholarships and bursaries		151	<b>151</b>	79
Other		84	<b>84</b>	162
		<b>310</b>	<b>310</b>	350
		Donations £'000	2022 Total £'000	2021 Total £'000
<b>University</b>				
<b>Balance at 1 August</b>		462	<b>462</b>	109
Donations		167	<b>167</b>	514
Investment income		-	-	2
Expenditure		(319)	<b>(319)</b>	(163)
<b>Total restricted comprehensive expenditure for the year</b>		<b>(152)</b>	<b>(152)</b>	353
<b>Balance at 31 July</b>		<b>310</b>	<b>310</b>	462
<b>Analysis of donations by type or purpose:</b>				
Research support		75	<b>75</b>	138
Scholarships and bursaries		151	<b>151</b>	146
Other		84	<b>84</b>	178
		<b>310</b>	<b>310</b>	462



**26. Reconciliation of net debt**

		<b>2022</b>	2021
	Notes	<b>Group £'000</b>	Group £'000
<b>Net debt at 1 August</b>		<b>(35,110)</b>	7,696
Movement in cash and cash equivalents		<b>(2,385)</b>	(39,687)
Non-cash changes		<b>(3,320)</b>	(3,410)
Changes in market value and exchange rates	25	<b>339</b>	291
<b>Net debt at 31 July</b>		<b>(40,476)</b>	(35,110)
<b>Change in net debt</b>		<b>(5,366)</b>	(42,806)
		<b>2022</b>	2021
		<b>Group £'000</b>	Group £'000
<b>Analysis of net debt:</b>			
<b>Cash and cash equivalents</b>		<b>99,718</b>	97,333
<b>Borrowings: amounts falling due within one year</b>			
Unsecured loans	21	<b>2,172</b>	2,132
Obligation under finance leases	20	<b>608</b>	577
Service concession arrangements	14	<b>273</b>	273
		<b>3,053</b>	2,982
<b>Borrowings: amounts falling due after more than one year</b>			
Unsecured loans	21	<b>45,332</b>	47,504
Obligation under finance leases	21	<b>8,133</b>	8,740
Service concession arrangements	14	<b>2,724</b>	2,997
		<b>56,189</b>	59,241
<b>Net debt at 31 July</b>		<b>(40,476)</b>	(35,110)

## 27. Capital commitments

Provision has not been made for the following capital commitments:

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
Contracted at 31 July	62,646	62,646	3,958	3,695
Authorised but not contracted at 31 July	1,600	1,389	2,312	2,294
	64,246	64,035	6,270	5,989

## 28. Lease obligations

	2022	2022	2022	2021
	Land and buildings £'000	Plant and machinery £'000	Total £'000	Total £'000
<b>Group</b>				
<b>Payable during the year</b>	19,531	390	19,921	20,116
<b>Future minimum lease payments due:</b>				
Within one year	19,454	302	19,756	19,827
Between one and five years	74	522	596	316
More than five years	-	-	-	1
<b>Total future lease payments due</b>	19,528	824	20,352	20,144

	2022	2022	2022	2021
	Land and buildings £'000	Plant and machinery £'000	Total £'000	Total £'000
<b>University</b>				
<b>Payable during the year</b>	21,428	134	21,562	21,743
<b>Future minimum lease payments due:</b>				
Within one year	21,372	108	21,480	21,599
Between one and five years	7,745	-	7,745	110
More than five years	19,180	-	19,180	-
<b>Total future lease payments due</b>	48,297	108	48,405	21,709

## 29. Related parties

Name of related party and relationship	Nature of transaction	2022	2022	2021	2021
		Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
<b>Uno Buses (Northampton) Limited</b>					
Joint venture	Management fee, staff recharges, vehicle usage	518	1,591	427	813
<b>Enterprise Growth Solutions Limited</b>					
Joint venture	Management fee and staff recharges	360	31	532	20
<b>University Campus St Albans Limited</b>					
Joint venture	Grant and student loans funding; management fee and academic delivery related charges	317	140	357	240
<b>Uliving@Hertfordshire plc</b>					
Mrs S Harrison-Barker, Secretary and Registrar of the University, is a director	Student residences rent and facilities	148	21,410	143	17,675
<b>Oaklands College Further Education Corporation</b>					
Ms Mairi Watson, Pro-Vice Chancellor of the University, is a governor since 1 July 2021	Transport services; grant funding to associate college	192	961	-	-
<b>Southern Universities Management Services</b>					
Mrs S Harrison-Barker, Secretary and Registrar of the University is a director since 1 April 2021	Subscription	-	57	-	-
<b>Advance HE</b>					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director since 20 August 2021	Subscription, training and consultancy	-	158	-	-
<b>University of Hertfordshire Students' Union</b>					
Ms R Ellis, Governor of the University is President and Dr Mairi Watson, Pro Vice-Chancellor of the University, is a Trustee	Student's Union subvention grant, rent and other service charges	554	1,849	142	1,391
<b>Universities UK</b>					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Subscription	-	44	-	43
<b>University Alliance</b>					
Professor Q A Mckellar, Vice-Chancellor of the University, is a director	Management fee for services; funding for Early Stage Researchers; subscription	147	89	122	114
<b>Hertfordshire Local Enterprise Partnership</b>					
Professor J A Newlan, Deputy Vice-Chancellor of the University is a director	Grant funding	1,623	-	1,422	-

**29. Related parties (continued)**

		2022	2022	2021	2021
		Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
<b>Name of related party and relationship</b>	<b>Nature of transaction</b>				
<b>Chiltern Automotive Limited</b>					
Mr J S Thorpe, director of subsidiary company Universitybus Limited, is related to a director of this company	Purchase of goods and services	-	47	-	116
<b>BYD (U.K.) Co. Ltd</b>					
Mr J S Thorpe, director of subsidiary company Universitybus Limited, is related to a director of this company	Purchase of goods and services	-	73	-	74

	2022	2022	2021	2021
	Debtor £'000	Creditor £'000	Debtor £'000	Creditor £'000
<b>Name of related party</b>				
Uno Buses (Northampton) Limited	40	76	58	87
Enterprise Growth Solutions Limited	52	-	37	-
University Campus St Albans Limited	-	150	-	-
Uliving@Hertfordshire plc	-	801	-	-
Oaklands College Further Education Corporation	15	93	-	-
Advance HE	-	65	-	-
Universities UK	-	-	-	40
University Alliance	-	12	-	-
Hertfordshire Local Enterprise Partnership	105	-	96	-
Chiltern Automotive Limited	-	16	-	15
BYD (U.K.) Co. Ltd	-	-	-	2

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

### 30. Connected charitable institutions

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

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

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

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

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

	At 1 August 2021 £'000	Income £'000	Expenditure £'000	Change in market value £'000	At 31 July 2022 £'000
<b>University of Hertfordshire Charitable Trust</b>	2,497	196	(33)	(25)	2,635
	2,497	196	(33)	(25)	2,635

During the year the University of Hertfordshire Charitable Trust received a legacy donation of £137,000 to provide financial assistance to students for the purposes of supporting their mental health and wellbeing.

### 31. 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, Polyfield Property Limited and UH Ventures 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. Exempas Limited operates a group administered defined contribution personal pension plan for those employees who are not members of LGPS.

#### Summary of pension scheme costs

		Employer contributions 2022 £'000	Provision movement 2022 £'000	Total 2022 £'000	Employer contributions 2021 £'000	Provision movement 2021 £'000	Total 2021 £'000
	Notes						
<b>Group</b>							
TPS		13,551	-	13,551	12,841	-	12,841
LGPS		8,199	12,905	21,104	7,864	10,179	18,043
USS		448	1,517	1,965	436	(202)	234
Other		835	-	835	681	-	681
	8	23,033	14,422	37,455	21,822	9,977	31,799
<b>University</b>							
TPS		13,550	-	13,550	12,841	-	12,841
LGPS		7,561	12,341	19,902	7,333	10,090	17,423
USS		448	1,517	1,965	436	(202)	234
	8	21,559	13,858	35,417	20,610	9,888	30,498

#### 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.



## 31. Pension schemes (continued)

### Teachers' Pension Scheme (TPS) (continued)

#### Valuation

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023. A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#).

#### Scheme changes

In June 2019 the Supreme Court refused the Government permission to reverse the Court of Appeal's December 2018 judgment in the McCloud and Sargeant cases.

The judgement found that both the judges' and firefighters' pension schemes became unfavourable to some of their members when the career average arrangement was introduced in 2015. The courts deemed that younger members of the judicial and firefighters' pension schemes had been discriminated against because the transitional protection applied only to older scheme members. These regulation changes now need to be rectified on the grounds of age discrimination and applies to all main public service pension schemes, including the Teachers' Pension Scheme.

The government launched a consultation on the proposals to address the discrimination, which closed on 11 October, and has now issued a response which can be found on the [Public Service Pension Scheme Consultation website](#).

TPS has summarised the key scheme changes for affected members in a factsheet which can be found on the [Teachers' Pensions website](#).

The Teachers' Pension Scheme has recently changed its rules regarding survivor benefits. The change has resulted from a claim that survivor benefit rules in the Teachers' Pension Scheme were discriminatory towards female members in an opposite-sex marriage or civil partnership on the grounds of sexual orientation – known as the Goodwin case.

The change being made will provide female members in an opposite-sex marriage or civil partnership with the same survivor pension rights as all other members who are in a marriage or civil partnership.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

### Universities Superannuation Scheme (USS)

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

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

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

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

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

The impact of the 2020 valuation has resulted in a net cost to the consolidated statement of comprehensive income of £1,517,000 (2021: net credit of £234,000) as detailed in the summary of pension scheme costs above.

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

### 31. Pension schemes (continued)

#### Universities Superannuation Scheme (USS) (continued)

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

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

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

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

	2022	2021
Discount rate	3.05%	0.87%
Pensionable salary growth	3.31%	1.80%

#### Local Government Pension Scheme (LGPS)

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

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

### 31. Pension schemes (continued)

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

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

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

The 31 March 2019 triennial funding valuation results included the impact of full GMP indexation and as such any increase to the defined benefit obligations as a result of GMP indexation is included in the pension scheme liability disclosed below.

#### McCloud

When the Government reformed public service pension schemes in 2014 and 2015 they introduced protections for older scheme members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes were discriminated against because the protections did not apply to them. This ruling is known as McCloud, after one of the claimants.

The Government has confirmed that there will be legislative changes to all public sector schemes, including the LGPS, to remove this age discrimination. The LGPS rules need to be changed to automatically provide eligible younger members with protection equal to the protection provided to older members.

The Government issued a statement confirming the key changes it will make to the LGPS to remove the discrimination, which can be found on the [Local Government Pensions website](#). A full response to the 2020 consultation is expected before the end of 2022. The changes to the LGPS rules are expected to come into effect on 1 October 2023.

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	19.20%
Universitybus Limited (to 31 March 2022):	
Employer – weekly paid staff	26.60%
Employer – monthly paid staff	19.20%
Employees	5.50%-12.50%

The estimated employer contribution payable for the year ending 31 July 2023 is £7,617,000.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2019, updated to 31 July 2022 by a qualified independent actuary.

	2022	2021	2020
<b>Financial assumptions</b>			
Inflation and rate of increase in pension	<b>2.75%</b>	2.60%	2.00%
Rate of increase in salaries	<b>3.05%</b>	1.80%	1.80%
Expected return on assets	<b>3.50%</b>	1.75%	1.40%
Discount rate for liabilities	<b>3.50%</b>	1.75%	1.40%

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

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

	<b>2022</b>	2021
Males currently aged 65 (years)	<b>21.9</b>	21.5
Females currently aged 65 (years)	<b>24.4</b>	23.7
Males currently aged 45 (years)	<b>22.9</b>	22.3
Females currently aged 45 (years)	<b>26.0</b>	25.0

The assets in the scheme (of which the Group's share is 5.0%) and the expected rates of return were:

	<b>2022</b> <b>£'000</b>	2021 £'000	2020 £'000
Equities	<b>2,876,120</b>	3,485,560	2,954,430
Bonds	<b>1,659,300</b>	2,010,900	2,143,410
Property	<b>608,410</b>	737,330	521,370
Cash	<b>387,170</b>	469,210	173,790
<b>Total market value of assets</b>	<b>5,531,000</b>	6,703,000	5,793,000

	<b>2022</b>	2021	2020
Weighted average expected long-term rates of return	<b>1.8%</b>	1.4%	2.3%

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

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

### 31. Pension schemes (continued)

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

	2022	2022	2021	2021
	Group	University	Group	University
	£'000	£'000	£'000	£'000
<b>Analysis of the amount shown in the balance sheet</b>				
Present value of scheme liabilities	(333,884)	(333,884)	(432,043)	(421,178)
Fair value of scheme assets (bid value)	331,842	331,842	346,416	335,144
<b>Deficit in the scheme (note 23)</b>	<b>(2,042)</b>	<b>(2,042)</b>	<b>(85,627)</b>	<b>(86,034)</b>
<b>The amounts recognised in the surplus for the year</b>				
Current service cost	20,612	20,471	18,031	17,815
Past service cost (including curtailments)	50	50	12	12
Settlements	442	(62)	-	-
<b>Total operating charge</b>	<b>21,104</b>	<b>20,459</b>	<b>18,043</b>	<b>17,827</b>
Interest on obligation	7,686	7,560	5,699	5,552
Expected return on scheme assets	(6,078)	(5,948)	(4,209)	(4,071)
<b>Net charge on pension scheme</b>	<b>1,608</b>	<b>1,612</b>	<b>1,490</b>	<b>1,481</b>
<b>Total charged to the surplus for the year</b>	<b>22,712</b>	<b>22,071</b>	<b>19,533</b>	<b>19,308</b>
<b>Analysis of other comprehensive income</b>				
Actual return less expected return on pension scheme assets	(23,183)	(22,938)	40,083	38,766
Experience gains and losses arising on the scheme liabilities	(1,208)	(1,169)	4,781	4,669
Change in assumptions underlying present value of the scheme	122,489	122,052	(17,417)	(17,076)
<b>Actuarial loss</b>	<b>98,098</b>	<b>97,945</b>	<b>27,447</b>	<b>26,359</b>
<b>Analysis of movement in the scheme deficit</b>				
Deficit in scheme at 1 August	(85,627)	(86,034)	(102,327)	(100,822)
Effect of cap on pension surplus	-	-	922	-
<b>Adjusted pension deficit at 1 August</b>	<b>(85,627)</b>	<b>(86,034)</b>	<b>(101,405)</b>	<b>(100,822)</b>
Movement in period:				
Current service cost	(20,612)	(20,471)	(18,031)	(17,815)
Employer contributions	8,199	8,118	7,864	7,737
Past service costs	(50)	(50)	(12)	(12)
Effect of settlements	(504)	-	-	-
Effect of business combinations and disposals	62	62	-	-
Net interest on assets	(1,608)	(1,612)	(1,490)	(1,481)
Actuarial loss	98,098	97,945	27,447	26,359
<b>Deficit in the scheme - net pension liability recorded within pension provisions (note 23)</b>	<b>(2,042)</b>	<b>(2,042)</b>	<b>(85,627)</b>	<b>(86,034)</b>

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

	2022	2022	2021	2021
	Group £'000	University £'000	Group £'000	University £'000
<b>Analysis of the movement in the fair value of scheme liabilities</b>				
Defined benefit obligation at 1 August	432,043	421,178	400,966	390,449
Current service cost	20,612	20,471	18,031	17,815
Past service costs	50	50	12	12
Liabilities extinguished on settlements	(10,574)	-	-	-
Effect of business combinations and disposals	11,016	11,016	-	-
Interest cost	7,686	7,560	5,699	5,552
Actuarial (gain)/loss	(121,281)	(120,883)	12,636	12,407
Estimated unfunded benefits paid	(460)	(460)	(480)	(480)
Estimated funded benefits paid	(8,055)	(7,874)	(7,521)	(7,244)
Contributions by members	2,847	2,826	2,700	2,667
<b>Defined benefit obligation at 31 July</b>	<b>333,884</b>	<b>333,884</b>	<b>432,043</b>	<b>421,178</b>
<b>Analysis of the movement in the fair value of scheme assets</b>				
Fair value of scheme assets at 1 August	346,416	335,144	299,561	289,627
Expected return on scheme assets	6,078	5,948	4,209	4,071
Actuarial (loss)/gain	(23,183)	(22,938)	40,083	38,766
Contributions by employer	7,739	7,658	7,384	7,257
Contributions in respect of unfunded benefits	460	460	480	480
Assets distributed on settlements	(11,078)	-	-	-
Effect of business combinations and disposals	11,078	11,078	-	-
Estimated unfunded benefits paid	(460)	(460)	(480)	(480)
Estimated funded benefits paid	(8,055)	(7,874)	(7,521)	(7,244)
Contributions by members	2,847	2,826	2,700	2,667
<b>Fair value of scheme assets at 31 July</b>	<b>331,842</b>	<b>331,842</b>	<b>346,416</b>	<b>335,144</b>
<b>Actual return on scheme assets</b>				
Expected return on scheme assets	6,078	5,948	4,209	4,071
Asset loss/(gain)	(23,183)	(22,938)	40,083	38,766
<b>Actual return on scheme assets</b>	<b>(17,105)</b>	<b>(16,990)</b>	<b>44,292</b>	<b>42,837</b>
<b>Actuarial gain/(loss) relating to changes in financial assumptions</b>	<b>127,661</b>	<b>127,224</b>	<b>(17,417)</b>	<b>(17,076)</b>
<b>Cumulative actuarial gain/(loss)</b>	<b>43,415</b>	<b>43,501</b>	<b>(54,683)</b>	<b>(54,444)</b>



### 31. Pension schemes (continued)

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

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
<b>History of experience gains and losses</b>					
Difference between the expected and actual return on assets	<b>(23,183)</b>	40,083	3,867	12,425	16,698
% of scheme assets	<b>(7.0)%</b>	11.6%	1.3%	4.3%	6.3%
Experience (losses)/gains on scheme liabilities	<b>(1,169)</b>	4,781	(6,361)	(115)	42
% of scheme liabilities	<b>0.4%</b>	(1.1)%	1.6%	0.0%	0.0%

#### Sensitivity analysis

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

Changes in the LGPS defined benefit obligation assumptions	Approximate % increase to defined benefit obligation as at 31 July 2022	Approximate monetary amount £'000
0.1% decrease in real discount rate	2%	7,116
1 year increase in member life expectancy	4%	13,355
0.1% increase in salary increase rate	0%	645
0.1% increase in pension increase rate (CPI)	2%	6,506

Changes in the USS funding deficit provision assumptions	Approximate % increase to deficit provision as at 31 July 2022	Approximate monetary amount £'000
0.5% p.a. increase in discount rate	(4)%	(105)
0.5% p.a. increase in salary inflation over duration	4%	111
1% p.a. increase in deficit contributions from April 2022	16%	401
One-year increase in the duration of the deficit repayment plan	7%	174

### 32. Herts Sports and Physical Activity Partnership

The University of Hertfordshire hosts the Herts Sports and Physical Activity Partnership (HSP), which is one of the County Sports Partnerships in England 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 £'000	Local Authority £'000	Other public sector income £'000	2022 Total £'000
<b>Income</b>				
Revenue grant income	871	379	41	<b>1,291</b>
Other income	336	21	-	<b>357</b>
<b>Total income</b>	<b>1,207</b>	<b>400</b>	<b>41</b>	<b>1,648</b>
<b>Expenditure</b>				
Staff costs	425	211	1	<b>637</b>
External activity providers	568	178	10	<b>756</b>
Rent and facility hire	38	28	7	<b>73</b>
Marketing	-	3	3	<b>6</b>
Other expenditure	58	31	12	<b>101</b>
<b>Total expenditure</b>	<b>1,089</b>	<b>451</b>	<b>33</b>	<b>1,573</b>
<b>Net income/(expenditure)</b>	<b>118</b>	<b>(51)</b>	<b>8</b>	<b>75</b>

	Sport England £'000	Local Authority £'000	Other public sector income £'000	2021 Total £'000
<b>Income</b>				
Revenue grant income	1,116	23	153	1,292
Other income	109	4	1	114
<b>Total income</b>	<b>1,225</b>	<b>27</b>	<b>154</b>	<b>1,406</b>
<b>Expenditure</b>				
Staff costs	612	2	10	624
External activity providers	499	-	122	621
Rent and facility hire	37	2	-	39
Marketing	1	-	3	4
Other expenditure	103	23	18	144
<b>Total expenditure</b>	<b>1,252</b>	<b>27</b>	<b>153</b>	<b>1,432</b>
<b>Net income/(expenditure)</b>	<b>(27)</b>	<b>-</b>	<b>1</b>	<b>(26)</b>

Income includes £nil (2021: £nil) grant receivable from the University.

Expenditure includes £1,000 (2021: £6,000) payable to the University and £30,000 (2021: £23,000) to other group companies in respect of rent, facility hire and other expenditure.

### 33. Turing Scheme

The University received a grant of £453,450 from the Turing Scheme during the year. The purpose of this grant is to facilitate international mobilities. This is accounted for as an agency arrangement and the University does not recognise the income and expenditure in the statement of comprehensive income. The funding is held on the balance sheet in creditors amounts falling due within one year and disbursements to students deducted from the balance. A summary of the transactions in the year is shown below.

<b>Group and University</b>	<b>£'000</b>
Received in the year	454
Disbursed to students	(322)
<b>At 31 July 2022</b>	<b>132</b>

### 34. Access and participation expenditure

	<b>2022 £'000</b>	2021 £'000
Access investment	<b>3,540</b>	3,633
Financial support	<b>993</b>	495
Disability support	<b>596</b>	527
Research and evaluation	<b>265</b>	215
	<b>5,394</b>	4,870

The total of the approved expenditure in our Access and Participation Plan for the year ended 31 July 2022 was £4,615,000 (2021: £4,500,000), actual expenditure has exceeded the plan.

£3,003,244 (2021: £2,659,000) of the total actual expenditure is already included in the overall staff cost figure included in the financial statements (note 8).

Details can be found on the [Access and Participation Plan website](#).














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