Royal Agricultural University

# Annual Report and Financial Statements 2021-22

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# Vice-Chancellor's Introduction

Professor Peter McCaffery, Vice-Chancellor

## The academic year 2021-22 brought a welcome return to normality following two years of unprecedented disruption caused by the Covid-19 pandemic. Our students certainly thought so:

The Royal Agricultural University (RAU) was ranked the top university in the UK for being a 'Learning Community' in the July 2022 National Student Survey (NSS), and 4th highest for Overall Student Satisfaction across all English universities. We were also graded in the 'Top Ten' English universities for both Academic Support, and Organisation and Management. This is the best result we have ever achieved in the history of the NSS, and we outperformed all 24 of the (far better endowed) universities of the Russell Group – a tremendous achievement that bears testament to the professionalism and dedication of all our staff and the commitment and resilience of our students.

Feedback from our students also led us to be ranked in the 'Top Ten' at the Whatuni Student Choice Awards this year in the small or specialist category.

We also made significant progress toward developing a strong research culture. More than half of the research we produce was adjudged to be 'world-leading and international in quality' in the latest round of the national Research Excellence Framework (REF, 2021). We are the leading small specialist university for research in England.

As a largely science-based University laboratory facilities are key to our student's experience, success and knowledge. As such, we were delighted to be awarded £5.8m by the Office for Students for a new suite of science-based facilities on campus. The funding, which was the maximum awarded nationally, will allow us to create the 'Land Labs' a state-of-art facility to train the next generation of graduates in climate-smart, resilient agriculture and land management. Students will have access to the latest equipment and technologies across a combined wet lab and IT-enabled learning environment covering a broad range of disciplines all of which are focused on tackling the global challenges of the future.

The wider higher education (HE) environment continues to be characterised by uncertainty. The Quality Assurance Agency for HE has withdrawn its consent to be the Designated Quality Body to the Office for Students which begs questions with regard to the recognition (from March 2023) of formal international partnerships entered into by English universities and the employment prospects of their graduates overseas. The maximum tuition fee for undergraduate courses was again frozen at £9,250 a year up to and including 2024-25 (i.e. for the 7th successive year) and will entail a further reduction in income in real terms.

Our international activity, however, continues to flourish. With global food supplies weaponised as an 'instrument of war' in Eastern Europe, we were selected by the Uzbekistan Ministry of Agriculture (2022) – guided by the British Council and Foreign Office – to be the lead founding partner in establishing the new International Agriculture University in Tashkent. Working with the Uzbekistan Government, we aim to establish a centre of excellence for sustainability in Central Asia. We admitted around 200 students in September 2022 which is forecast to increase to an annual intake of 500+ by 2025 generating an annual gross income of around £1M.

We also twinned with the Sumy National Agrarian University in Ukraine to offer support through a variety of initiatives, including online delivery of RAU modules and the provision of a safe haven for staff and students. We will have one staff member joining us for 2022-23, to undertake research funded by the British Academy Academics at Risk programme, while another staff member will join us on a temporary basis to teach some management modules, in addition to teaching her Ukrainian students online from RAU.


In China, we have just signed a new 10-year agreement for the Shandong Agricultural University (SDAU) Food Technology programme in addition to validating a new BSc Real Estate degree at SDAU. Our programmes have been rated excellent by the China Ministry of Education and we are now one of only five 'highly trusted' UK universities operating in China. We hope to have 2,500 students by 2025.

As part of our drive to increase diversity and ethnicity in farming we also launched two Ethnic Minority Excellence scholarships to attract and reward the brightest applicants from the UK's under-represented minority ethnic communities. The scholarships, which are open to UK minority ethnic students who have a place on one of our undergraduate programmes, are for both full and part-time students and are each worth £9,250 a year for a maximum of three years.

Locally, we also have ambitious plans to make our campus a model of collaboration based on our academic vision. We are working – with the support of Cotswold District Council, GFirst Local Enterprise Partnership, Gloucestershire County Council, and the Department of International Trade – to establish Innovation Village @ RAU on our site – an £80M+ project that will support industry, food producers, farmers, and landowners in developing new innovative practices while protecting land health and building resilience in rural communities.


In essence, we aim to update our founders' vision for the 21st Century as we seek to establish the RAU as a global centre and a world-leading university for sustainable farming and land management.

Our Farm491 celebrated its fourth anniversary this year, the UK's leading agri-technology business innovation incubator has now directly supported (despite the Covid lockdown) more than 200 start-ups and SMEs in agri-technology and agri-food helping them to create 120 new jobs within its member companies and raise around £33M in investment.

We officially opened our Cultural Heritage Institute in Swindon last October. The purpose-converted workshop, in the former GWR carriage works in the railway heritage quarter of Swindon, was transformed thanks to a £1.35M investment from Swindon Borough Council. The facility offers postgraduate courses in Historic Environment Management and the Conservation and Management of Historic Buildings as well as providing an innovative learning space that supports collaboration and interdisciplinary studies.

Our Wild Campus project, a joint venture between the RAU, Cirencester College, and Deer Park School aimed at improving wildlife habitats across the Cirencester education quarter, won the Environmental Project of the Year award at this year's Cirencester Business and Community Awards.

Similarly, students from our British Wildlife Conservation course, who have been working to improve an area of grassland at Cirencester Golf Club (which is a habitat for caterpillars of the nationally rare Duke of Burgundy fritillary butterfly), won the Outstanding Environmental Project title at this year's Golf Environment Awards.

Further to extensive consultation, we have also chosen five values to underpin our learning community. These are the values by which we will work and for which we want the RAU to be known.

We are:

## Collaborative

We believe in the power of working together – we are stronger as a community of practice. Inspiring each other, identifying shared goals, and providing reciprocal support, leads to greater success.

## Open-minded

We are receptive to new ideas and we value the diversity of experience and skills. We are committed to listening to everyone across the RAU community.

## Resourceful

We adopt creative approaches to achieve our goals while setting higher standards, promoting professionalism, and sustainability.

## Responsible

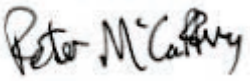
Individually and collectively we take accountability for our actions, working with integrity to achieve the highest ethical standards.

## Inclusive

We acknowledge the fundamental value and dignity of all individuals, and are committed to maintaining an environment that seeks to eliminate all forms of discrimination, and respects diverse traditions, heritages, and experiences.

Our new vineyard in Down Ampney is also a pioneer in championing sustainability without compromising quality – through the development of a (smaller, lighter, and recyclable) flat wine bottle and a recyclable can for (sparkling) wine – both 'firsts' for a vineyard in the UK. Our Cotswold Hills Wine (still White Ortega) and our recyclable can both landed Bronze Awards at the Wines of Great Britain Awards during this year's English Wine Week (18 - 26 June).

"Practice with Science" was the mantra of our founders in 1845, with a curriculum that engaged "the hand, the heart and the mind" while nurturing "a fierce independence" – the "famous College spirit." All these founding traits are flourishing in today's RAU, and we continue to be – as the pandemic lockdown reminded us – as socially relevant today as we have been in the past.



**Professor Peter McCaffery**
**Vice-Chancellor**

# Message from the Chair of Council

Dame Fiona Reynolds, Chair of Governors

Photo credit: Marcus Ginns

Huge improvements in our scores in the Research Excellence Framework (REF, 2021) and the National Student Survey (NSS) – both the product of much hard work over recent years – have given the Governing Council of the RAU cause for much optimism about the future.

As Peter, our Vice-Chancellor, has already reported, it's been a year of change and investment, and, while we still have much to do, our foundations are strong and our ambitions are clear. Our unique contribution to shaping the future of sustainable food production, farming, land management and rural enterprises has never been more important.

The membership of the Council changed significantly this year and, with a group of impressive new appointments, we can look forward to greater stability in future. We said farewell and expressed our warm thanks to Professor Jonathan Kydd (whom I replaced as chair in January), Alison Bernays, and Julie Robinson, who have all served the RAU with great loyalty and dedication. We welcomed as new members Hugh Baker, Wilfred Emmanuel-Jones, Joy Lo Dico, Jason Makepeace, David Morgan and Sue Pritchard. They all bring valuable skills and experience to the RAU and are enjoying being part of this energetic and purposeful institution. Our student governor for the year was Zac Missen, who, in a year still disrupted by Covid, we thank for his positive contribution.

Along with the welcome improvement in the externally-assessed REF and NSS, we made important progress this year towards becoming more sustainable financially. We held a thorough review of our teaching needs and resources, enabling us to continue to improve and focus our teaching and research; and we have developed an exciting vision for an Innovation Village on our site. This will provide the foundation for a multiplicity of partnerships with like-minded research organisations and businesses, local bodies and people. We are hugely encouraged by the support we have already received from central Government, Business West, Cotswold District Council and many others.

The RAU has a long history of innovation and creativity in the land-based sector and, over many decades as the RAC, we forged terrific networks across Britain and the world. Our global footprint is expanding again, with new developments in Uzbekistan in particular, and now we are well established as a University we are keen to promote our vision and ideas locally, nationally and globally. The opportunity is there to engage and reinvigorate our loyal alumni network post Covid, and we have confidence that today's students are well-equipped to contribute to a wide range of global challenges. The future needs the RAU and the RAU is more than ready to play its part.

**Dame Fiona Reynolds**
**Chair of Governors**

# Key facts

REF 2021 Research Excellence Framework

More than half of the research we produce at the RAU has been assessed as 'world-leading and international in quality' in the latest round of the national Research Excellence Framework
(REF, 2021)

NSS National Student Survey

In the 2022 National Student Survey (NSS) we were ranked as first, among all UK universities, for being a Learning Community, and fourth among English universities for Overall Satisfaction.

We were also ranked in the top ten, among English universities, for Academic Support and for Organisation and Management

WHATUNI? STUDENT CHOICE Awards 2022 TOP 10 SMALL OR SPECIALIST

Nominee for Small or Specialist Institution
(Whatuni 2022)

WHATUNI? STUDENT CHOICE Awards 2020 TOP 10 UNIVERSITY OF THE YEAR

WHATUNI? STUDENT CHOICE Awards 2020 TOP 10 JOB PROSPECTS

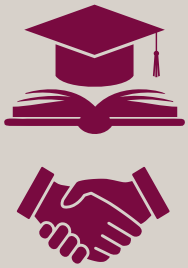
Top 10 University of the Year and Job Prospects rankings for two years running, nominee Small or Specialist
(Whatuni 2019, 2020)

IOEE™ INSTITUTE OF ENTERPRISE AND ENTREPRENEURS

First small, specialist HE institution to be named a Centre of Excellence by the Institute of Enterprise and Entrepreneurs (IOEE)

RAU QAU JOINT INSTITUTE FOR ADVANCED AGRI-TECHNOLOGY

Only small specialist University to establish a Joint Institute in China – with Qingdao Agricultural University (QAU)



We are the leading supplier in the country of rural chartered surveyors with 165 alumni holding Director level posts at the major national and international firms

The RAU was selected by the Uzbekistan Ministry of Agriculture to be the lead founding partner in establishing the new International Agriculture University in Tashkent

Our students are regularly nominated for awards. In both 2021 and 2022, two students were shortlisted in the South West Women in Property Student Awards

THE BATHURST ESTATE

Innovative partnership with 15,000-acre Bathurst Estate for teaching, learning, and knowledge exchange

TOP 6

Rural Estate Land Management has been rated one of the top six business schools in Europe (ceoworld.biz 2022)

THE AWARDS 2020

One of only six universities shortlisted for The Times Higher Education Award for Outstanding Entrepreneurial University


Among highest in the UK, at 92.3%, for degree completion rate (Complete University League Rankings 2023)

RAU FARM 491
AGRITECH INNOVATION & INCUBATION

One of the leading agritech incubation and innovation spaces in the UK


A 17,000 strong alumni network with international reach and influence


# A global university with more than 1,600 students from 46 countries

Includes students studying with our Chinese partnerships

**More than half the research we produce at the RAU has been assessed as 'world-leading and international in quality' in the latest round of the national Research Excellence Framework (REF, 2021).**

REF 2021 Research Excellence Framework

# Our History

## 1845

Queen Victoria granted the Royal Charter to the Royal Agricultural College (RAC)

## 1982

King Charles III became President of the RAC

## 2001

First received funding from the Higher Education Funding Council for England (HEFCE)

## 1842

The seeds of the Royal Agricultural College (RAC) were first sown

## 1931

Professor Robert ("Bobby") Boutflour became Principal of the College

## 1984

The first modern degree programme was launched – BSc (Hons) in Rural Land Management

Since its beginnings in 1845, our institution has always been full of innovators and pioneers who have made a substantial contribution to farming practice and agricultural science.

The seeds of the Royal Agricultural College (RAC), now known as the Royal Agricultural University (RAU), were sown by Victorian gentleman Robert Jefferys. He suggested the foundation of an agricultural school in November 1842 at a meeting of the Cirencester and Fairford Farmers' Club.

Construction in the Victorian Gothic style began in April 1845 when Earl Bathurst leased 425 acres and a site to build the college. Completed within a year at a cost of £3,674, the first 25 students who were aged between 14 and 18, were admitted on 15 September 1845.

Queen Victoria granted the Royal Charter to the College in the same year and Sovereigns have been Patrons ever since, visiting in every reign. His Majesty King Charles III became President in 1982.

Throughout our tenure, staff have always inspired their students with their teaching and have also led as industry specialists in their chosen fields. Their impact on farming practice and agricultural science in the field is not to be contested. In 1931, Professor R ("Bobby") Boutflour, CBE, one of the greatest leaders of change in farming practice in his time, became Principal.

**In 1979, the RAC admitted its first female students.**

In 1984, in partnership with Reading University, the first modern degree programme started – a BSc (Hons) in Rural Land Management. The college had been independent of Government control since its foundation until 2001 when it first received funding from the Higher Education Funding Council for England (HEFCE). This allowed us to widen access to our courses to students of all backgrounds.

**The Privy Council awarded the College full University status in 2013.**

In 2018 we opened the state-of-the-art Alliston Centre which houses Farm491 and the Cirencester Growth Hub, part of the GFirst Local Enterprise Partnership's (LEP) Growth Hub network.

## 2013



Privy Council awarded the college full University status

## 2018

Launched our state-of-the-art £4.2m Alliston Centre. The University is registered with the newly-created Office for Students (OfS)

## 2021

Half of all RAU research commended as world-leading, and internationally excellent, according to the Research Excellence Framework (REF)

## 2022

Working with the Uzbekistan Government to establish a Centre of Excellence in Central Asia


## 2017

Awarded TEF Silver. The first phase of our Farm491 project opened at Harnhill Farm


## 2020

The RAU opened a major Joint Institute with Qingdao Agricultural University (QAU) in China. The RAU celebrated our 175th anniversary.

In 2020 we opened a major Joint Institute with Qingdao Agricultural University (QAU) in China which will help expand transnational higher education in the land-based sector. The RAU is the only small specialist university in the UK to have established a Joint Institute with endorsement from the Chinese Government.

Our strong connection with the Bathurst Estate was reaffirmed in an agreement that will enable staff and students to access the facilities of over 15,000 acres. This will be invaluable for education and research.

**We celebrated our 175th anniversary in 2020.**

In 2022, the RAU was selected by the Uzbekistan Ministry of Agriculture (2022) to be the lead founding partner in establishing the new International Agriculture University in Tashkent. Working with the Uzbekistan Government we aim to establish a Centre of Excellence in Central Asia. We also established a twinning initiative with Sumy National Agrarian University (SNAU) in Ukraine.

The Research Excellence Framework (REF 2021) found that half of the research carried out at the RAU has been commended as world-leading and international in quality. The University's research is at its highest ever level according to this assessment.

In 2022 we were very proud to receive excellent results in the National Student Survey (NSS). This survey voted for by students recorded an overall student score of 85.17% here at the RAU, 9% above the average for the sector, while the University's Learning Community score of 83% was a huge 15% above the sector average.

**We are the leading supplier in the country of rural chartered surveyors with 165 alumni holding Director level posts at the major national and international firms.**

# Highlights – 2021-22 in focus

## 2021

### August 2021

- Everyone at the University was busy cheering on RAU alumna Suzanna Hext as she took part in the Tokyo Paralympics Games. Suzanna finished just off the podium in 4th place in both the 100m and 200m S5 freestyle finals.

### September 2021

- Professor Peter McCaffery was appointed Vice-Chancellor of the RAU and will remain in post until at least the end of August 2024.
- It was fantastic to welcome back current and new students onto campus. The 'Bubble Village' returned and was once again popular with our new intake.
- We were delighted to be one of the first UK universities to sign up for a new scheme from the Quality Assurance Agency (QAA) called the Quality Evaluation and Enhancement of UK Transnational Higher Education Provision (QE-TNE) scheme. A clear demonstration of the RAU's commitment to the quality enhancement of transnational education.
- Dr Lorraine Thomas joined us as the RAU's first Pro Vice-Chancellor (Education and Students).

### October 2021

- RAU Swindon held its opening ceremony and guests celebrated the new innovative learning space and its postgraduate offerings.
- Rural Land Management student Alice Crump was awarded the Pilkington Farms Partnership Prize for the top-performing student in her second year. Well done Alice!
- It was a delight to host the Angolan Ambassador to the UK, His Excellency Geraldo Nunda.
- Agricultural students Alexandra Godfrey, Jen Hawkes, Phoebe Collins, and Alex Young were recipients of the Jordan's Cereals and The Prince's Countryside Fund Sustainable Agriculture Bursaries.

## November 2021

- Postgraduate students from Nepal, Turkey, and India were granted the opportunity to apply for a scholarship to study Sustainable Agriculture and Food Security here at the RAU under a joint initiative between the British Council and the UK Government's GREAT Britain Campaign.
- A delegation from the Ministry of Agriculture in Uzbekistan visited the RAU with a view to collaborating with the University to develop the curriculum for a new International Agriculture University (IAU) in Uzbekistan. As well as meeting both lecturers and students, the visitors were given a tour of the campus and shown the University's agri-tech incubator Farm491.

## December 2021

- Staff and students embraced the spirit of Christmas by raising £142 for Cirencester Food Bank and £247 for Shelter. Events included a Santa Dash, decorating the RAU tree, and a Christmas lunch.
- RAU Director of Research, Professor Mark Horton, and MSc students Lucy Parry, Philippa Elliot, and Lissie Jarville undertook an archaeological excavation in the small town of Buxton, USA on Hatteras Island, where they discovered the remains of a native American village occupied during the late 16th century.

# 2022

## January 2022

- Dame Fiona Reynolds DBE, former Director-General of the National Trust, was appointed as Chair of the Governing Council at the RAU.
- Second-year Agriculture student Bridgette Baker was chosen to appear on a new BBC Radio Somerset monthly breakfast show feature called 'A Year on the Farm'.

## February 2022

- We were proud to have the Pride flag flying over the campus in February to remind us that everyone has a place in our RAU community.
- RAG Week returned in true style with the RAG Rally and Tractor Pull. Students raised £15k for lots of great causes including Cirencester's Food Bank and Shelter.

- Congratulations were in order for recent RAU alumna Alexandra Lloyd who received the award for 'Best Natural History Dissertation', presented by the Gloucestershire Naturalists Society, for her dissertation on 'Tramline orientation effects on aboveground invertebrate dispersal'.
- We were delighted to start working with Lydia Heywood, appointed as our DEI (Diversity, Equality, and Inclusion) Consultant.
- We launched two new undergraduate scholarships to attract and reward the brightest applicants from the UK's under-represented minority ethnic communities.

## March 2022

- We celebrated International Women's Day and Women's History Month with a series of guest lectures including Lisa Hogan, who shared her experience of running the Diddly Squat Farm Shop, and Sue Steer who was one of the first women to study at the RAU.
- Six new independent Governors were appointed including one of Britain's only black farmers, a columnist for the Financial Times, and the head of the Food, Farming, and Countryside Commission (FFCC).
- Congratulations to the Men's Hockey Club who won the BUCS (British Universities & Colleges Sport) league. They also won the Western Conference Cup final. What a season they had!
- Our FdSc Environmental Conservation and Heritage Management students visited Orkney. They explored burial chambers, stone circles, and neolithic settlements - and even did some island hopping!
- Alumnus Oli Pritchard took part in the Red Nose and Spoon Race for Comic Relief on BBC's The One Show.

## April 2022

- FdSc Agriculture and Farm Management student Will Oliver, whose passion for farming started when he took on his grandmother's small herd of home-bred pigs, was awarded the John Innes Foundation Bursary.
- Students from our International Equine and Agriculture Business Management course travelled to Kentucky, USA. They enjoyed fantastic lectures from the University of Louisville and even met a champion five-gaited Saddlebred.

## May 2022

- We were thrilled that more than half of the research carried out at the RAU was commended as 'world-leading and international in quality' and that the University's research is at its highest ever level in the Research Excellence Framework (REF 2021).
- Staff and students came together for the annual cricket match. Well done to the students who won - but watch out, as the RAU staff are ready for revenge next year!
- We entered a pioneering twinning imitative with Sumy National Agrarian University (SNAU) in Ukraine and launched an online fundraiser to help support the Ukrainian University.
- It was the return of the May Ball! After a short hiatus due to Covid-19, it was amazing to see students having a well-deserved night out after a busy semester.
- Well done to enterprising student Imogen Burgoyne who won the University's Grand Idea competition securing a £10,000 investment for her fledgling businesses.
- We celebrated the Platinum Jubilee of HM The Queen, our Patron, with a Family Fete. Staff and their families enjoyed a great lunch and lots of entertainment including tractor rides around the campus.

# 2022 (cont.)

## June 2022

- We were delighted to welcome a delegation from the United States Department of Agriculture (USDA) to the RAU. Our guests were treated to a tour of our beautiful campus, a visit to Farm491, and a round table discussion with our academics.
- History was made as we entered a long-term partnership with the Uzbekistan Ministry of Agriculture to launch the International Agriculture University (IAU) in Tashkent, Uzbekistan.
- Produced at our vineyard locally, the 2020 Cotswold Hills Ortega wine won a Bronze award at the prestigious WineGB Awards.

## July 2022

- It was time to celebrate as we achieved excellent results in the 2022 National Student Survey (NSS). Voted for by our own students, we recorded an overall student satisfaction score of 85.17% and we were first for Learning Community amongst UK Universities.
- The Wild Campus project was awarded the Environmental Project of the Year award at the Cirencester Business and Community Awards.
- It was fantastic to come together to celebrate the Class of 2022 at Graduation. The gorgeous Cotswold sunshine made an appearance and it was a day to remember for everyone involved.

# Imogen Burgoyne winner of the University's Grand Idea competition

# Appointments to New Roles

## Dr Lorraine Thomas

*Pro Vice-Chancellor (Education and Students)*

As Pro Vice-Chancellor (Education and Students), Dr Lorraine Thomas is a member of the University's Executive Team. She is responsible for the continual improvement of the students' education and the academic student learning experience, which includes providing academic leadership and guidance to enhance the quality assurance and enhancement of the University's academic provision.

Lorraine has a proven track record of highly successful academic and professional services leadership across five post-92 universities, including senior leadership roles as Executive Dean of the Faculty of Education at Newman University Birmingham (a small and specialist university) and Academic Director (Quality and Employability) at Anglia Ruskin University, London.

Lorraine led the RAU to its highest student experience levels last year, evidenced in the National Student Survey (NSS) – 1st for Learning Community (UK universities), 4th for Overall Student Satisfaction (English universities), Top 10 for Academic Support (English universities) and Top 10 for Organisation and Management (English universities).

Lorraine is passionate about making a positive difference to students' lives by high-quality and innovative higher education. She is enthusiastic about and an active advocate of Equality, Diversity and Inclusion for the common good of our communities and wider society.

## Matt Jones

*Director of Institutional Planning and Policy*

Matt joined the RAU in April 2022 and advises the Vice-Chancellor in the development of policy and strategy and works directly with the COO to implement the University's Operational Plan. Matt drives evidence-based institutional change to enhance University performance and develops and delivers the University's Strategy and Annual Plan. Matt ensures the University is compliant in its statutory reporting and is the primary relationship holder with the Office for Students (OfS) including responsibility for fulfilling OfS prevailing access and participation requirements.

Matt leads the Institutional Planning and Governance Directorate and takes ownership for the development and implementation of institutional planning and performance, underpinning university strategy. As part of the Vice-Chancellor's Executive Advisory Group, Matt leads strategic business planning, translating strategy into delivery, and leads and implements complex strategic projects, across multidisciplinary teams.

Previously, Matt has worked in senior leadership roles since 2001 and within Higher Education since 2012, with expertise in HE policy, widening access and participation, and institutional strategy. Matt graduated from Durham University in 2012 with an MBA (where he earned top honours in strategic innovation and business transformation), holds a Postgraduate Certificate in Academic Practice in Higher Education from Coventry University, and earned a 1st Class Bachelor of Honours from Essex University. Matt is a governor at Kingshill School Cirencester.

## Dr Ishwar Pun

*International Teaching Fellow*

Ishwar joined the RAU in September 2021 as an International Teaching Fellow in Agriculture and Environmental Science. Before joining the RAU, he was a Research Fellow at the University of Leeds, where he conducted research into farm modelling and monitoring of soil carbon in the rotation of crops and outdoor pigs.

Ishwar obtained his PhD from the University of Tokyo, Japan, in 2017. He has an MSc in Environmental Science (University of Tsukuba, Japan), and has recently achieved Associate Fellowship of the Higher Education Academy (AFHEA) from Advance HE, UK.

He has experience working in rice production and greenhouse gas emission in Japan, agricultural land use planning and classification in Vietnam and Nepal and measuring and modelling carbon and nitrogen in the soil in the UK.

Ishwar has interdisciplinary training in soil, water, agriculture, and the environment, and has routinely used process-based modelling tools: DayCent and APSIM. He is also interested in using the FarmDESIGN model to understand mixed crop-livestock farming systems and identify trade-offs and synergies. His interests lie in spatial analysis using R, GIS software QGIS and ArcGIS and has teaching experience with students at different higher education levels in the UK and China.

## Katharine Clough

*Director of External Relations*

Katharine joined the RAU in December 2021 as Director of External Relations and oversees all aspects of marketing, communications, outreach, fundraising and alumni engagement activities.

After graduating from the University of Nottingham, Katharine began her career in banking and finance before moving into local government and then higher education. Katharine joins the RAU from the University of Wolverhampton where she spent seven years as the Director of External Engagement further to six years there as an Associate Dean in the Business School.

Katharine is passionate about the transformational role higher education plays and the opportunities it opens up for individuals. She believes strongly that the team in External Relations play a critical role in raising the profile of the positive impact going to University has for a learner alongside breaking down any barriers and concerns individuals may have.

Katharine has previously served on the governing body of a large further education college and as a Non-Executive Director for a University Science Park. As such, she understands the civic role a University has and the importance of local relationships with partners such as schools, colleges, councils and businesses.

## Judith Crowther

*Head of Governance and Clerk to the Council*

Judith joined the RAU at the end of May 2022 from Hartpury University where she was Deputy Academic Registrar.

Judith studied English Literature at university and joined Gloucestershire County Council after graduating where she began her career in governance and became a qualified Company Secretary through the Institute of Chartered Secretaries and Administrators (ICSA, now the Chartered Governance Institute UK and Ireland).

In 2012, Judith made the move to the higher education sector, working in university academic quality and standards, including a first stint at the RAU as Assistant Academic Registrar, Quality and Enhancement.

Judith has worked for QAA as a Quality Specialist where she led review teams, trained reviewers and developed new review methods. She has also worked at the Office for Students in monitoring and intervention.

The role of Head of Governance at the RAU combines her love of higher education and of effective governance.

## Atenchong Talleh Nkobou

*Programme Manager for MSc Sustainable Agriculture and Food Security*

Atenchong was appointed as Programme Manager for Sustainable Agriculture and Food Security at the RAU in September 2021 and is Module Leader for both the International Rural Development and Research Skills modules.

He holds a BSc in Biochemistry (University of Buea), B. Hon (ir) in Agribusiness and Business Administration (CAH Vilentum University of Applied Sciences), MSc Agricultural Food Production and Environmental Protections (Uni Hohenheim), and a PhD in International and Rural Development (University of Reading).

Atenchong's research focuses on the political economy of agrarian systems, land tenure and food security, including human rights-based approaches to development. He is also interested in interdisciplinary research, including a strong interest in North – South research cooperation and advocating for the valorisation of Southern Knowledge systems within development research and practice. He has teaching and independent research consultancy experience in the UK, Germany, the Netherlands and East Africa.

## Dr Yufan Wu

*Postdoctoral Teaching Fellow*

Yufan joined the RAU in July 2022 as a Postdoctoral Teaching Fellow in Marketing. He teaches marketing modules of the University's international collaborative programme with Qingdao Agricultural University in China and has responsibility for the business and management modules run at the RAU campus.

Previously Yufan worked as a lecturer in marketing at the University of Leicester and the University of Lincoln. He also worked as an International Officer at the University of Lincoln and the University for the Creative Arts, where he was responsible for recruiting students from East Asian countries, an area in which he has gained extensive experience to understand and support international students.

# Our Vision, Mission, and Purpose

## Our Vision

A world-leading university in sustainable farming and land management to help all communities thrive in harmony with nature

## Our Mission

To equip a new generation to thrive through change to address the global challenges that face us

## Our Purpose

To cultivate care for the land and all who depend on it

# Thrive, equip, cultivate

# Our Strategic Goals

1. Grow our student community by providing an outstanding student experience and excellent employment outcomes

2. Develop strategic and sustainable partnership working

3. Build a global reputation as a centre for practically relevant thought leadership

4. Be a sustainable and efficient organisation

## 1. Grow our student community by providing an outstanding student experience and excellent employment outcomes

The RAU achieved outstanding results in last year's National Student Survey (NSS) and the best results in our history, with overall student satisfaction scores beating even those of the best-performing Russell Group universities. The overall student satisfaction score of 85.17% is 9% above the average for the sector and higher than the vast majority of the institutions which make up the Russell Group universities, which is a fantastic achievement and a first for the RAU. This score was also just above Harper Adams, which consistently scores very highly in the NSS each year, and the first time that the RAU has come above Harper Adams, our main competitor. The RAU's NSS 2022 results place us very highly in these national rankings:

- 1st for Learning Community (UK Universities)
- 4th for Overall Satisfaction (English Universities)
- Top 10 for Academic Support (English Universities)
- Top 10 for Organisation and Management (English Universities)

The RAU's scores increased in all nine categories: The teaching on my course; Learning opportunities; Assessment and feedback; Academic support; Organisation and management; Learning Resources; Learning Community; Student Voice; and Overall satisfaction. Our Learning Community score of 83% is 15% above the sector average. Organisation and management, a notoriously difficult category nationally, scored 77% which is 7% above the sector average, while our Academic Support score of 79%, and Student Voice score of 71%, are also well above the sector average. Meeting the reporting thresholds for each RAU programme (including Capel Manor College) was an initial strategic milestone to contribute to these results. Also, 89% of female students were satisfied with programmes, compared with 70% last year.

The Higher Education Statistics Agency (HESA) released the Graduate Outcomes Survey (GOS) results data in June last year for graduates who completed their course in 2019/20 academic year. Graduates are surveyed 15 months after completion of their studies. Overall, of the 278 graduates who completed the GOS, 161 graduates are in graduate level employment (57.91%), which includes our undergraduate and postgraduate alumni. The cohort of undergraduates whom this result is based on completed their degrees in May 2020 and entered a difficult job market, as we were still in the early stages of the Covid-19 pandemic which caused a number of organisations to pause recruitment, suspend graduate schemes and place workers on furlough.

Enterprise remains a very strong feature at the RAU and last year was no exception. Our Grand Idea competition, where students are supported to develop a business plan that is presented in a Dragon's Den-style competition, was a huge success again.

The RAU launched two new undergraduate Ethnic Minority Excellence Scholarships last year to attract and reward the brightest applicants from the UK's under-represented minority ethnic communities. The awards, which are for both full and part time students, are each worth £9,250 a year for a maximum of three years. The investment aims to further progress equality, diversity and inclusion, so that we can welcome talented people from diverse backgrounds for a more diverse RAU student body. The scholarships are open to UK students from under-represented minority ethnic communities who have a place on one of the University's undergraduate programmes.

In March 2022, Students' Union (SU) elections were held and the following were elected: Megan Stacey, President; Chloe Bekker, Vice President; Alexandra Godfrey, Campaigns and Liberation Officer; Hannah McMahon, Entertainments Officer; Ellie Pincomb, Sports Officer; Anna Podgorski, Societies Officer; Rebecca DePoe, Postgraduate and International Officer; James Legge, Raising and Giving (RAG) Chair; and Emily Mackie, RAG Secretary. Of the nine posts, eight female students were elected and the most diverse RAUSU yet - a great achievement. The Learning, Teaching and Assessment Committee (LTAC) and Student Community and Wellbeing Committee are also formal sub-committees of Academic Board and there is strong SU representation on all these committees. The RAUSU President is also a member of Governing Council.

## 2. Develop strategic and sustainable partnership working

Agriculture and food security are global issues that require international collaboration. 2021-22 saw us concentrate our efforts on international partnerships with new strategic developments as well as consolidation of existing collaborations. Our China programmes go from strength to strength with RAU recently awarded five stars by the China Ministry of Education (the top grade) making us one of the top five UK universities working in China. Taking our cue from the British Council all our China programmes are conducted according to RAU regulations and are an invaluable means of ensuring that Chinese students have access to western thinking and culture and vice versa. We now have nearly 600 students in our Joint Institute for Advanced Agri-Tech at Qingdao Agricultural University (QAU), with another 300 due to start in 2022/23. Of the 260 students entering the third year of the programme, approximately 20% have expressed interest in undertaking Masters study at RAU commencing Autumn 2024. Our new BSc Real Estate programme commences at Shandong Agricultural University in Autumn 2022 with a planned intake of 150 students, taking our Chinese enrolment to over 1,000 and maintaining our target of 2,000 Chinese enrolments by the academic year 2023-24.

In addition to our China programmes, we are now the founding partner of a new International Agriculture University (IAU) in Tashkent, Uzbekistan. This is one of 20 new autonomous universities being developed in Uzbekistan over the next two decades to ensure that Uzbek students have access to international-quality education that will enable them to contribute to the economic, social, and cultural

development of Uzbekistan. The selection of agriculture for one of the first of these new universities reflects the significance of the sector, both within Uzbekistan and globally. Following 18 months of bidding and negotiation, RAU saw off competition from North America and Europe to be selected as IAU's partner for taught programmes. Since April 2022, the RAU team has worked intensively to validate programmes and support IAU in developing new academic regulations and governance, to allow the university to admit students to franchised RAU degrees from September 2022. Initially the programmes will be three and four year undergraduate Agriculture degrees, with plans for expanding the undergraduate offer to include agricultural technology and agri-food business programmes in future years, as well as commencing Masters programmes when there is sufficient demand.

## 3. Build a global reputation as a centre for practically relevant thought leadership

During the year 2021-22, significant progress was made to establishing the RAU as a centre of international research and policy leadership. Our status was confirmed in the results of the Research Excellence Framework – REF2021 – published in May and organised by Research England. This concluded that 52% of our research was deemed to be of world-class or international quality, one of our impact case studies was deemed to be world-leading, and 62% of our research environment of international quality. Overall, we were one of the best improved universities in the REF exercise, and in terms of research intensity ranked higher than our small competitor universities. REF 2021 is an important milestone for the University, which secures our reputation as an institution where world-class research is now undertaken. We are planning our research strategy for the next REF, probably to be held in 2027, to build on this success, with better facilities and equipment, and supporting research that can underpin a new set of impact case studies.

Alongside pure research, we also undertake knowledge exchange activities, which are supported by Research England's Higher Education Innovation Fund (HEIF). These connect to our expertise in practical and applied research as well as policy development and range from workshops with SMEs, executive education programmes (such as an annual course, successfully retendered this year, with the Worshipful Company of Farmers), the work of Farm491 in developing innovation networks, and CPD activities. These are reported through the Knowledge Exchange Framework (KEF) published by Research England. Due to Covid-19, in 2021-22, we fell out of the HEIF, as our activity fell just below the £250,000 threshold. However, this year we have been able to recover our KE activity to levels in excess of the 2019 benchmark, which means the return of HEIF funding to the University for 2022-23.

Overall, we will be receiving £683,740 of government support via Research England in 2022-23, for research and knowledge exchange activity.

A significant development in 2021-22 was our membership of the Knowledge Transfer Partnership, organised by Innovate UK. This enables our academic staff to work directly with partners in developing industry-relevant research, and the appointment of postdoctoral researchers directly to work in companies. The KTP fits closely to our mission of applied research in the agricultural and land-based sectors. We were able to informally launch our KTP with an event at RAU Swindon in July, 'Innovation for Growth Series: Agri-Innovation for Food Resilience' which was attended by over 60 delegates from local industries and public organisations.

In January 2022, the RAU was chosen by DEFRA as the site from which the then Secretary of State for Environment, Food and Rural Affairs (George Eustice MP) and the then Ministers of State (Rebecca Pow MP; Victoria Prentiss MP) launched the UK Agriculture Partnership (UKAP) – a post-Brexit initiative aimed at bringing together a range of stakeholders, from every part of the UK, to identify and work on shared issues facing the agricultural sector, supported by insights from world-leading researchers, experts and industry leaders. He also announced the development of a joint research strategy by the Agriculture Universities Council (AUC), an initiative we are co-ordinating on behalf of a partnership of 16 UK universities involved in teaching and research on agriculture.

In June 2022, we were visited by a delegation from the US Embassy, led by the Chief Economist of the US Department of Agriculture, Dr Seth Meyer, and the Agricultural Councillor, Ms Cynthia Guven, where our academics gave presentations relating to the current state of research, and included visits to Farm491, and the long-term experiment at Harnhill.

Research grant success continued, and in 2021-22 we reached the significant milestone of being awarded £1,087,478, the first time the RAU has been awarded over a million pounds in a single year. There will be a number of notable projects funded by this research, including a BBSRC-funded project on cultured meat and farmers (led by Professor Tom MacMillan), the NERC-funded Equi-food project on soil health and mental well-being (led by Dr Felicity Crotty), and the DEFRA-funded Ocean Sheep project, examining the use of wool rope in the seaweed industry (led by Dr Crotty, and PhD student Kate Drury).

## 4. Be a sustainable and efficient organisation

The RAU has invested in a new Institutional Planning & Governance Directorate (IPG). This Directorate is responsible for the development and implementation of the University's planning and performance cycle. IPG influences and informs key business decision-making, organisational planning and performance, underpinning organisational strategy.

The RAU's Professional Services Review was completed during the year, with the appointment of the final professional services directors into their posts. Project Oak Tree, which aims to make academic delivery more efficient as well as more effective, was also completed during the year. This involved a change management consultation with all academic staff, in order to ensure that the RAU has the numbers and profiles of roles required to deliver its strategic academic plan – in teaching, research, and knowledge exchange. This plan includes improvements in portfolio development, in academic governance, and in the RAU's capacity to grow student numbers.

Operational meeting structures, academic committees, and administration activities have been reassessed: the number of committees and steering groups has been reduced from 16 to 11; the total number of meetings has been reduced by 45 annually; and the administrative support requirement has been reduced by 230 hours annually.

During 2021-22 the RAU continued to improve core operational profitability. Despite continued headwinds as we exited the global pandemic, the RAU generated positive operating surpluses in line with financial targets. The RAU exited 2021-22 with closing cash reserves of £2.9m. In addition, the revolving credit facility of £1m was extended for a further two years until February 2025. Both these factors provide much-needed financial headroom going into 2022-23, which we anticipate will be a challenging year.

This financial progress has enabled the RAU to continue a programme of necessary capital expenditures, designed to ensure that its facilities are suitable for attracting students, staff, and commercial customers, and providing appropriate support for high quality teaching, research, and knowledge exchange.

Commercial activities remain a crucial part of the RAU's finances, and during 2021-22 we witnessed a slow return to pre-pandemic activity. During the year, the University entered into a multi-year contract, guaranteeing minimum revenues, with a long-standing international summer-school client, thereby helping to underpin overall commercial income in the years ahead.

The RAU's Sustainability Committee is responsible for overseeing and executing the Sustainability Action Plan. The University aims to set a clear pathway to net zero carbon emissions, and to make environmental sustainability central to everything it does. Environmental specialists and expertise are now used in all the RAU's forward planning, whether on space utilisation, capital bids, or major projects such as the Innovation Village.

During 2021-22, significant progress was made on University Gate – a planned major development and part of the RAU campus. The gross development value of the project is estimated to be £80m-£100m, which it is currently intended will be largely funded externally. The RAU has now appointed a professional project manager to lead the project.

The Innovation Village will include five primary zones:

- A research and innovation centre
- Integrated live/work spaces for entrepreneurs and postgraduate students
- Business development spaces for start-ups and RAU spin-out companies
- Hospitality, conference, and retail facilities for both occupants and visitors
- Social spaces and crèche facilities

The RAU strives to be an institution where staff feel supported to enhance their skills as people and professionals. As part of this, the University is committed to invest in the training and professional development of its staff; and the RAU also aims to be an employer of choice, able to attract world-class talent. Our success in achieving these aims is reflected in the 2022 staff survey outcomes, which showed significant improvement on the already-impressive 2021 results. As we continue to value and invest in our staff, we expect this gratifying trend to continue.

NSS
National Student Survey

We are delighted to have achieved excellent results in this year's National Student Survey (NSS) with student satisfaction scores beating even those of the best-performing Russell Group universities.

In the annual survey, which gathers students' opinions on the quality of their courses, the RAU recorded an overall student satisfaction score of 85.17%, 9% above the average for the sector, while the University's Learning Community score of 83% was a huge 15% above the sector average.

# Public Benefit Statement

## The RAU provides public benefit through the provision of specialist education and training in land-based subjects, providing a substantial output of skilled, reflective, independent, and self-directed learners.

An entrepreneurial mindset lies at the heart of enterprise and innovation. The University has an award-winning Institute of Enterprise and Entrepreneurs (IOEE) sector-leading enterprise scheme that encourages our students to embrace entrepreneurship and innovation and develop skills that make our graduates highly employable. RAU graduates frequently become confident, practical, leaders and owners of small, medium-sized, and large enterprises contributing to the economy across a range of industries, not only in the land-based sector.

The University sees our responsibility to create, explore, and evaluate the application of new knowledge in a range of settings. As an institution we pride ourselves on close connections with business, we have a strong focus on dissemination of knowledge gained from the research activities of our own academics and others in the industries we serve. This enables the development needs of industry to be met, challenges faced, and opportunities embraced, increasing productivity, economic growth, and wellbeing. Many of our graduates also engage in research and thus contribute to innovation, and the development and application of technology, especially those who engage with Farm491 and the Growth Hub to accelerate their business ideas into viable commercial enterprises.

In recent years, the RAU's academics have increased their contribution to public policy development. This has included input to Government's Food Strategy, advising on the development of new farmer-led research funding schemes, and contributing to the work of charities that inform policy, such as the Food, Farming and Countryside Commission. A number of staff also provide advice to professional bodies (e.g. the Royal Institute of Chartered Surveyors and Institute of Food Science and Technology), support grant funding agencies by reviewing proposals and with membership of review panels, and sit on the boards of national charities and HE and land-based institutions.

We have a strong civic mission and contribute to our local, regional, and national communities in a variety of ways. We are particularly proud of the role that we play in supporting communities locally, especially with the support of our students.

During the Covid-19 lockdown this included offering shelter to the homeless, being a site for Covid-19 testing, and also providing meals as part of the Bishop of Gloucester's Feeding the 5,000 campaign. The RAU is one of the largest organisations in Cirencester and prides itself on having nurtured a relationship between 'town and gown' that has gone from strength to strength in recent years.

The RAU also makes a significant contribution to the wider region. This includes working closely with the Gloucestershire LEP through engagement with its Agri-food and Rural Business Group, contribution to the LEP's Local Industrial Strategy, and developing a Local Food strategy for Gloucestershire. Our staff are encouraged to act as Trustees of local charities, to take leadership roles in community organisations, and support a range of events mainly, but not exclusively, related to the land-based and agri-food industries.

**The RAU is committed to providing a welcoming environment in which every student, staff member, and visitor feels valued and respected, and is treated fairly.**

We are open to all students on the basis of ability and academic achievement and there is no geographical restriction on entry. Attracting more students from the state sector is a priority and a range of introductory experiences are held for school children and potential applicants. The University is also active in public education activities, such as school visits and careers events.

The RAU is committed to providing a welcoming environment in which every student, staff member, and visitor feels valued and respected, and is treated fairly. The staff and student community works to eliminate direct or indirect discrimination, to promote good relations between people of all backgrounds, and to provide an environment in which all individuals have the opportunity to achieve their full potential. However, the University recognises that there is more work to be done and we are taking steps to embrace inclusivity and diversity.

# Financial Review

## Consolidated Statement of Comprehensive Income for the year ended 31 July 2022

| | Year ended 31 July 2022 Consolidated £'000 | Year ended 31 July 2021 Consolidated £'000 |
|---|---|---|
| **Income** | | |
| Tuition fees and education contracts | 12,270 | 11,311 |
| Funding body grants | 1,459 | 1,727 |
| Research grants and contracts | 289 | 175 |
| Other income | 4,710 | 3,469 |
| Investment income | 66 | 59 |
| Donations and endowments | 220 | 226 |
| **Total income** | **19,014** | **16,967** |
| **Expenditure** | | |
| Staff costs | 9,825 | 10,105 |
| Other operating expenses | 8,210 | 7,202 |
| Interest and other finance costs | 223 | 231 |
| Depreciation and amortisation | 996 | 1,004 |
| **Total expenditure** | **19,254** | **18,542** |
| **Deficit before other gains and losses** | **(240)** | **(1,575)** |
| Loss on sale of fixed assets and investments | (77) | (236) |
| (Loss)/gain on investments | (127) | 446 |
| **Operating deficit for the year** | **(444)** | **(1,365)** |
| Actuarial pension gain | 7,385 | 1,599 |
| Asset revaluation reserve movement | (12) | (12) |
| **Total comprehensive income** | **6,929** | **222** |

The financial year 2021-22 delivered an improvement in financial performance following two years of unprecedented disruption caused by the Covid-19 pandemic; an operating deficit of £1.4m in 2020-21 was reduced to an operating deficit of £0.4m in 2021-22.

Global economic factors continue to present significant challenges to the University's operations, particularly with respect to student recruitment and operating costs.

Total income for the year was £19.0m (2021: £17.0m), an increase of £2.0m. Tuition fee income increased by £1.0m, whilst other income increased by £1.2m compared with the prior year, as commercial activity gradually returned to normality after the Covid-19 pandemic.

Total expenditure for the year was £19.3m (2021: £18.5m), an increase of £0.8m. This was largely driven by an uplift in operating expenditure of £1.0m due to increased activity following the Covid-19 lockdown. The increase in operating expenditure was partly offset by £0.3m savings in staff cost.

## Going Concern

The preparation of the financial statements on the going concern basis is appropriate.

The University conducted a Going Concern review for the period from 1 August 2022 to 31 July 2025 (being a period of at least 12 months from the signing of the financial statements), which was reviewed and approved by the Governing Council. The Going Concern review included an assessment of the opportunities, risks and mitigating actions should the University's financial performance be unexpectedly worse than forecasted. Downside scenario stress-testing was also performed. It was concluded that the University is a Going Concern and has sufficient access to funding to enable it to withstand material unforeseen calls on cash. Full details are included in the Accounting Policies note on page 88.

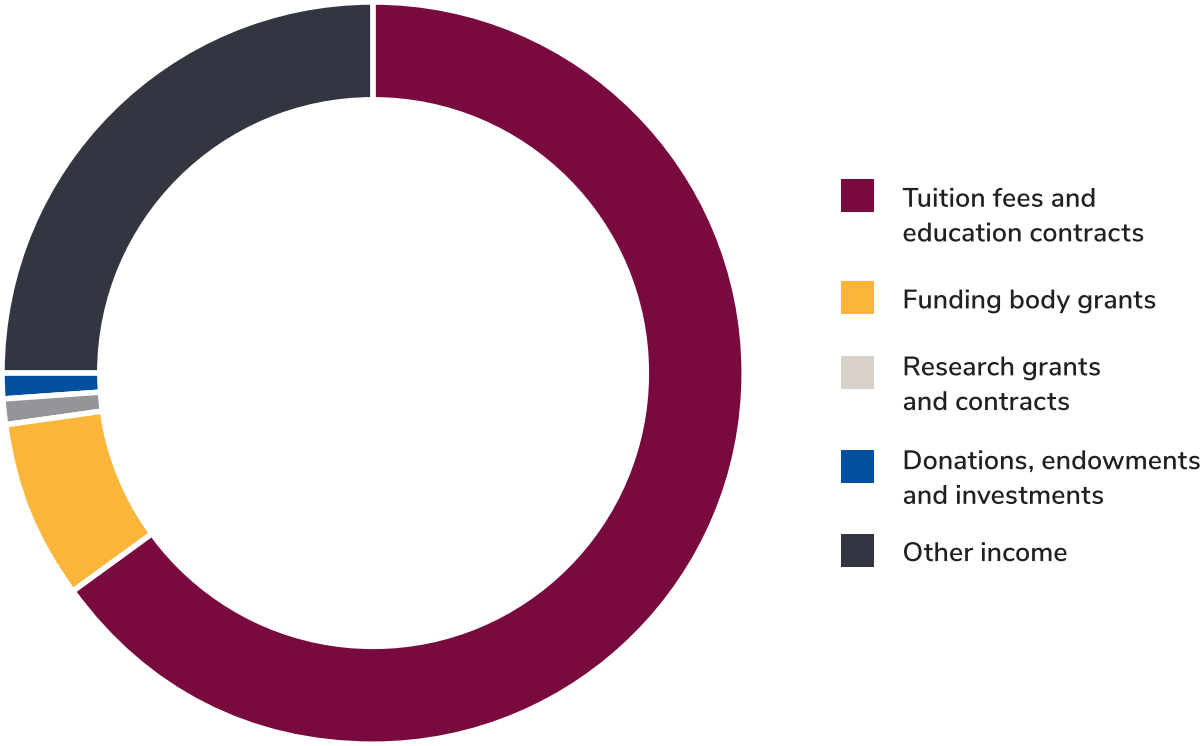
## Total net assets at the 2022 year end were £32.0m (2021: £25.1m)

Fixed assets fell in value by £0.2m from £32.8m in 2021 to £32.6m in 2022. Capital expenditure during the year was £0.7m (2021: £0.2m).

Cash at bank and in hand at the year end was £2.9m (2021: £3.3m). All bank loans were repaid during the year (2021: £174k). The University is now debt-free.

The pension provision fell in value by £7.3m to £7.4m (2021: £14.7m) following the annual revaluation of the RAU's pension liabilities by an independent actuary.

## RAU Income 2021 - 2022

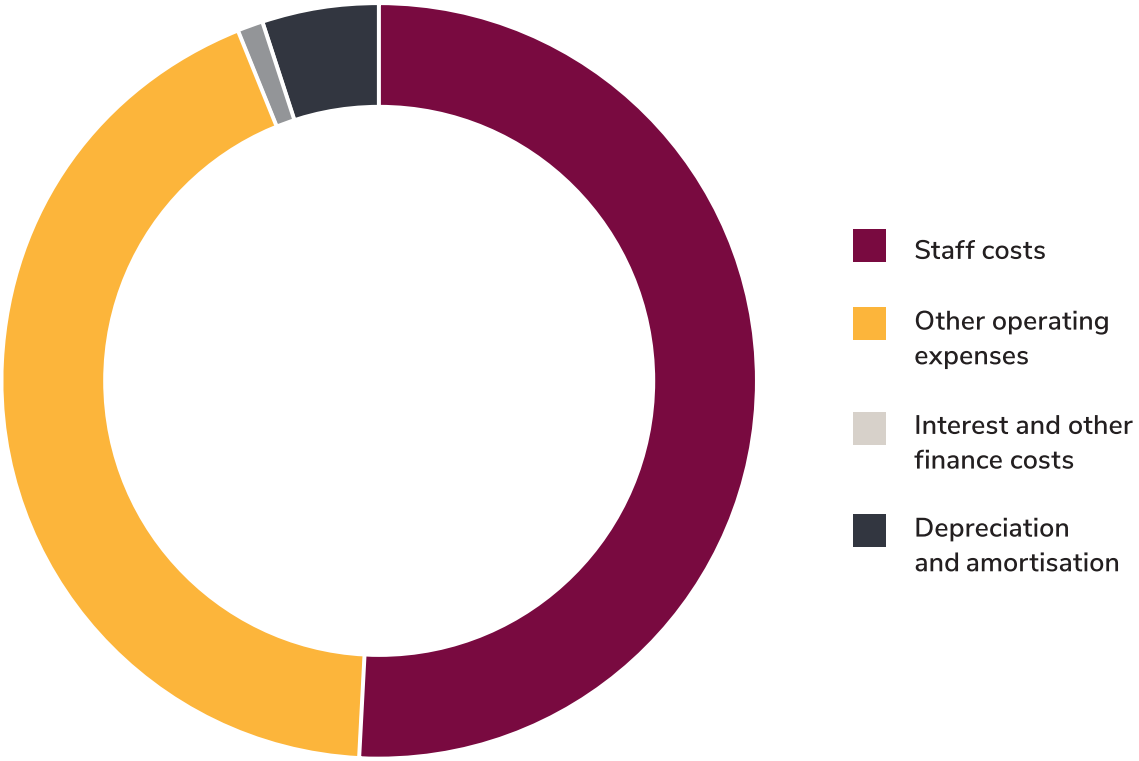



**Total income for the year was £19.0m (2021: £17.0m)**

The pie chart graphic above shows RAU's total income for the year 2021-2022. This information is also detailed in the table below.

| RAU Income 2021-22 | % |
|---|---|
| Tuition fees and education contracts | 64.6 |
| Funding body grants | 7.7 |
| Research grants and contracts | 1.5 |
| Donations, endowments and investments | 1.5 |
| Other income | 24.7 |

## RAU Expenditure 2021-22




**Total expenditure for the year was £19.3m (2021: £18.5m)**

The pie chart graphic above shows RAU's total expenditure for the year 2021-2022. This information is also detailed in the table below.

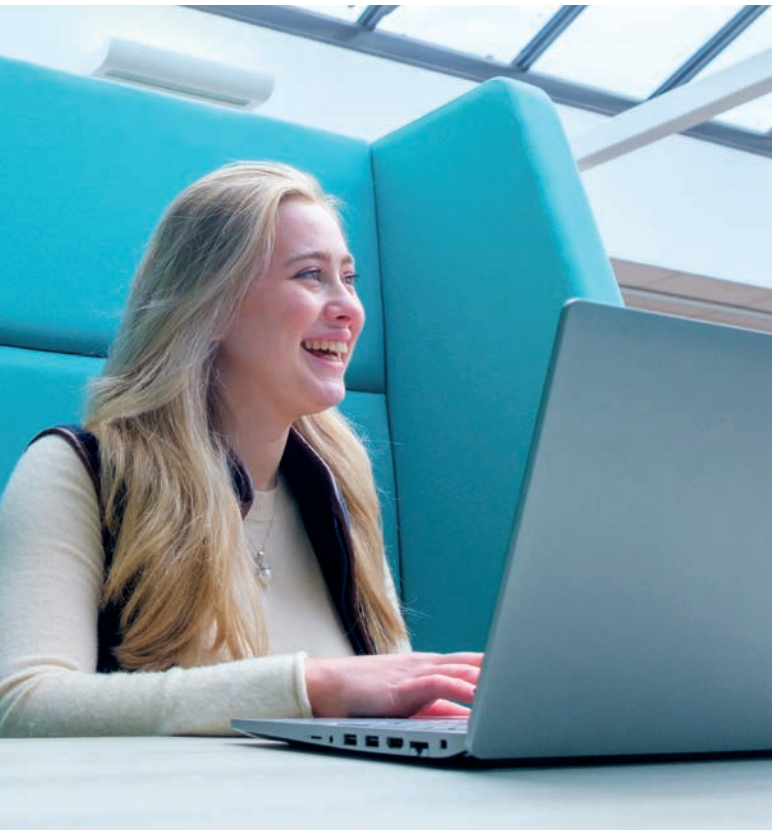
| RAU Expenditure 2021-22 | % |
|---|---|
| Staff costs | 51.0 |
| Other operating expenses | 42.6 |
| Depreciation and amortisation | 5.2 |
| Interest and other finance costs | 1.2 |

Tuition fees and education contracts contributed 65%, or £12.3m of income (2021: £11.3m). A number of projects and plans are being progressed to support the growth of our student population over the coming years.

Other income from commercial activities, including conferencing and farming, accounted for 25%, or £4.7m of income (2021: £3.5m). This increase reflected the gradual return to normality after the Covid-19 pandemic.

Staff costs comprised 51%, or £9.8m of expenses (2021: £10.1m). Staff numbers during 2022 were 203 (2021: 194).

Other operating expenses comprised 43%, or £8.2m of expenses (2021: £7.2m). This increase correlates to the increase in activity following the Covid-19 lockdown.



## Value for Money

Value For Money (VFM) considerations lie at the core of the RAU's decision-making. The Governing Council, Finance & Estates Committee, Vice-Chancellor, Executive Team, and senior managers all ensure that VFM is managed effectively, and VFM implications are explicitly required on all proposals requiring committee consideration or decision. The RAU manages its finances in order to provide VFM for students, while also ensuring the long-term financial sustainability of the University; the balance between short-term VFM and long-term lasting value is always considered. VFM for students and the student experience centres on providing all students with an outstanding educational experience and optimising their employment prospects – by ensuring that all degrees and programmes are relevant, innovative, and challenging and that they equip our graduates for the careers they want to follow. VFM also requires a robust and comprehensive procurement framework, to ensure that all significant purchases are properly assessed and quoted.

During 2021-22 the University invested in a new institutional planning directorate to coordinate the Integrated Planning Cycle (IPC) across the university. The IPC aligns financial planning with academic planning for research and teaching and other aspects of resource planning. The new directorate is able to generate a more thorough collation of evidence to assess activities and ensure VFM is central to decision-making. The integration of these processes throughout the year will help to ensure a broader and more holistic understanding of the implications around the use of resource at the RAU and draw out opportunities to generate further VFM.

2021-22 has also seen the RAU undertake several projects to generate a more in-depth understanding of how the University estate is managed and used. An example is the space utilisation audit, which has led to clear opportunities to enhance efficiency and maximise existing space to meet the needs of users. This work will help to ensure VFM is a key feature of the RAU's emerging estates strategy and masterplan.

# Rural Estate Land Management has been rated one of the top six business schools in Europe (ceoworld.biz 2022)

# Principal Risks and Uncertainties

A number of challenges exist, which are monitored by the Executive Team, the Audit and Risk Committee, and Governing Council.

## Business Disruption

**Risk of losses arising from the disruption of business or widespread system failures**

Causes:

- Acts of God (natural catastrophes, pandemics, floods, etc.)
- Health and safety failures
- Supplier failures (utilities, consumables, etc.)
- Equipment failures
- Cyber attacks
- Major critical incidents (terrorist attack, fire, etc.)

Mitigating actions:

- Business Continuity planning framework
- Investment in replacement middleware hybrid working policy and systems to enable remote working
- Investment in online and blended teaching provision
- Adoption of HASMAP health & safety audit tool

## Finance

**Risk of not maintaining long-term financial sustainability**

### Causes:

- Shortfall in tuition fee income attributed to a drop in student recruitment and/or changes to national policies
- A shortfall in commercial income
- Costs exceed financial assumptions
- Lack of financial control and management
- Failure to deliver capital investment priorities
- Inadequate liquidity

### Mitigating actions:

- Improved financial controls and budgetary management
- Investment in strategic planning function and integrated planning cycle
- Continued progress on key investment opportunities
- Strong cash flow management
- Diversification of revenue streams through new international partnerships
- Regular reporting to Finance & Estates and Audit & Risk Committees, and to Governing Council

## Student Recruitment

**Risk of falling below recruitment targets, both in regard to total numbers and the diversity of the student population mix**

### Causes:

- Lack of awareness in the marketplace and effective positioning
- Programme content lacking in relevance
- Inflexible delivery methods
- Students not sufficiently supported through their learning journey
- Students receive an academic experience below expectations
- Not providing a fit-for-purpose learning environment
- Low graduate employability comparative to sector
- League table position

### Mitigating actions:

- Internal audit of the student experience
- Investment in academic leadership
- Investment in external relations function, skills, and capacity
- Academic portfolio review
- Entering new overseas markets through strategic partnerships
- Investment in new digital platforms and digital marketing strategy
- Access and Participation Strategy Monitoring and Delivery Groups
- Enhanced student experience governance structures

## Workforce

**Risk of failing to recruit, engage and retain high-quality staff**

### Causes:

- Factors impacting the national operating environment and labour market
- Quality of recruitment and selection inadequate
- Lack of commitment to training and development opportunities
- Loss of key staff, lack of succession planning
- Inadequate resources for staff
- Non-competitive remuneration

### Mitigating actions:

- Renewal of recruitment and selection policy and processes, with training for recruiting managers
- Succession planning, mentoring, appraisals, and career reviews
- Continual Professional Development (CPD) and job-specific training is provided
- Staff Engagement Group and improved communications
- Focus on staff welfare initiatives
- Adoption of hybrid working policies

## Compliance

**Risk of the University failing to be compliant with regulatory requirements and standards**

### Causes:

- Failure to meet:
  - Office for Students (OfS) targets and regulatory requirements
  - Access and Participation Plan (APP) targets and expectations
  - GDPR requirements
  - Health and safety regulations
  - Funding requirements

### Mitigating actions:

- Improved processes, procedures, and data capture to assist the management of compliance
- Programme of internal audit
- Investment in planning and governance function to increase skills capacity to meet the needs of regulatory and statutory requirements
- Regular reporting to Audit & Risk Committee and Governing Council

## Reputation

**Risks arising from damage to the University's reputation**

### Causes:

- Weak performance in league tables and external benchmarking exercises
- Dissatisfied students, staff, alumni, and other stakeholders
- Public opposition to university strategy
- Failing relationships with key strategic partners

### Mitigating actions:

- Mechanisms to promptly capture and act on student feedback
- Renewed investment and leadership within the external relations, corporate communications, and marketing function that protects and enhances reputation
- Investment in senior academic leadership to drive the quality of the student experience
- Proactive marketing and communications strategy aligned to organisational vision and mission
- Implementation of new Institutional Planning & Governance Directorate to help maximise responses to league table and benchmarking criteria
- Enhanced governance to oversee strategic partnerships

## Infrastructure

**Risks arising from poor condition of the estate and digital environment**

### Causes:

- Failure to invest in regular maintenance of the buildings and estate
- Poor understanding of exposure to digital infrastructure risks and cyber threats
- Lack of funded long-term capital programme
- Failure to effectively prioritise

### Mitigating actions:

- Emerging development of an Estates Strategy and masterplan
- Completion of a space utilisation audit
- Investment in the university's middleware
- Investment in a new CAFM system
- Targeted opportunities to leverage external capital investment into the campus estate
- Established Digital, Estates and Infrastructure Steering Group, reporting to Finance & Estates Committee and Audit & Risk Committee

# The RAU has been selected by the Uzbekistan Ministry of Agriculture to establish a new International Agriculture University (IAU) in Tashkent

# Corporate Governance

The Governors have pleasure in presenting their report and financial statements for the year ended 31 July 2022, and confirm that they comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association of the University, the Further and Higher Education SORP (Statement of Recommended Practice) and FRS102 (Financial Reporting Standard).

## Principles

The RAU is committed to exhibiting best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the seven principles set out by the Nolan Committee on Standards in Public Life: i.e. selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

## Legal Status

The Royal Agricultural College was incorporated by Royal Charter in 1845. It was registered under the Charities Act (registered charity number 311780) in 1964 and at Companies House as a limited company (registered number 99168) in 1908, the word 'limited' being omitted by licence of the Board of Trade. It traded as such until 23rd April 2013 when it attained University status and changed the name of both the charity and the limited company to "Royal Agricultural University". For ease of use the limited company is described as "the University" throughout these statements. The University has two wholly owned subsidiaries: Royal Agricultural University Enterprises Limited and Royal Agricultural College Limited.

# The Governing Council

The Governing Council is responsible for preparing the Report of the Governors, the Corporate Governance Statement, and the financial statements of the group (the "financial statements") in accordance with applicable law and regulations.

Company law requires the Governors (who are the Directors) to prepare financial statements for each financial year. Under that law the Governors have prepared the group and company financial statements in accordance with United Kingdom Accounting Standards, comprising FRS102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law (United Kingdom Generally Accepted Accounting Practice).

Under company law the 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 group and company, and of the profit or loss of the group and company for that period. In preparing these financial statements, the Governing Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the university will continue in business.

The Directors, who are also the Trustees and Governors of the University, are responsible for keeping adequate accounting records that are sufficient to show and explain the university's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition, the Governing Council has taken reasonable steps to:

- ensure that funds from OfS are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- secure the economic, efficient and effective management of the University's resources and expenditure.

The Governing Council is responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Council is responsible for ensuring that the University adheres to its charitable objects in line with its vision as laid out in the RAU Strategic Plan 2022-2025 and in accordance with its Key Purpose.

## The Governing Council

The Governing Council consists of up to 12 Independent Governors, up to two co-opted Governors, the Vice-Chancellor, one Student Governor, and one Staff Governor.

The Governing Council has at least five formal meetings each year and ad hoc meetings as necessary. No members of the Governing Council receive any remuneration for the work they perform. The Governing Council has a number of committees that report to it. These are formally constituted with terms of reference and delegated powers. Much of the detailed University work is initially performed by committees, and their decisions formally reported to the Governing Council.

The committees include the following:

## The Finance and Estates Committee

The Finance and Estates Committee comprises at least three Independent Governors and is attended by the Vice-Chancellor and Finance Director. The Committee meets formally four times per year with ad hoc meetings as required. The Governing Council delegates some of its powers to this committee. The committee is responsible for overseeing the development and implementation of the University's financial and estate strategies.

## The Audit and Risk Committee

The Audit and Risk Committee has three formal meetings a year and ad hoc meetings as necessary. The Committee comprises at least three Independent Governors or co-optees, at least one with recent and relevant experience in finance, accounting or auditing. The Vice-Chancellor and Director of Finance may attend meetings. The Committee meets the external and internal auditors in private with no officers of the University present at least once a year. The Committee is responsible for monitoring internal control systems, risk management and value for money. It appoints the internal auditors and receives their reports. It also receives the annual financial statements and management letter from the external auditors and submits an annual report to the Governing Body before they are signed.

## The Nominations Committee

The Nominations Committee has at least two formal meetings a year and ad hoc meetings as necessary. The Committee is chaired by the Vice-Chair of Governing Council and includes in its membership at least three Independent Governors, the Vice-Chancellor and Student Governor.

The function of the Nominations Committee is to seek out and recommend new Independent and co-opted Governors as well as leading the search for Council and Committee Chairs. It ensures that a wide search for names is achieved and, in making recommendations, the Committee pays due regard to the balance of membership of the Governors and the needs of the University. The Committee is empowered to appoint Governors to sub-committees, to co-opt persons (other than Governors) for specific purposes and makes recommendations to Academic Board and Governing Council on the appointment of a President or Vice-President and, when required, a new Vice-Chancellor.

## The Remuneration Committee

The Remuneration Committee has at least two formal meetings a year and ad hoc meetings as necessary. The Committee consists of at least three independent Governors. The Chair of Governing Council will normally be a member but shall not be chair of the Committee. Other individuals such as the Vice-Chancellor, the Head of Human Resources and external advisors may be invited to attend for all or part of any meeting. The Vice-Chancellor and any other member of staff attending are excluded when matters of personal salary, terms and conditions are being discussed. The Committee is responsible for considering and reviewing the salaries, terms and conditions, and any severance payments, for senior members of staff of the University.

In all its activities it will consider the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward, and severance to the staff within its remit. It will encourage high standards in areas of equality, diversity and inclusion.

# Governing Council Members

## Governors as at 31 July 2022:

### Dame Fiona Reynolds

**Chair of Governing Council**

***Appointed March 2021***

Dame Fiona Reynolds DBE became Chair of the RAU's Governing Council in January 2022. Her previous role was as Master of Emmanuel College, Cambridge where she served from 2012-2021. She joined Emmanuel after a long career in the voluntary sector, latterly as Director-General of the National Trust from 2001-2012. During her time as DG, she made the Trust warmer and more welcoming, bringing the houses to life and raising the profile of the Trust's work in the countryside.

Before the Trust, she was Director of the Women's Unit in the Cabinet Office from 1998 to 2000, Director of the Council for the Protection of Rural England (now Campaign to Protect Rural England) from 1987 to 1998 and Secretary to the Council for National Parks (now Campaign to Protect National Parks) from 1980 to 1987. She read Geography and Land Economy as an undergraduate at Cambridge University.

Fiona also holds a number of non-Executive roles. She is Chair of the National Audit Office, a Trustee of the Grosvenor Estate, a Non-Executive Director of Wessex Water, a Trustee of the Green Alliance, and Chair of the International National Trusts Organisation, the Cathedrals Fabric Commission for England, Cambridge University's Botanic Garden and Cambridge University's Bennett Institute for Public Policy. She was a Panel Member for the Glover Review of Protected Landscapes, Adviser to the Building Better Building Beautiful Commission and a member of the Advisory Panel for the Dasgupta Review of the Economics of Biodiversity.

## Mr Kim Frost

**Deputy Chair of Governing Council. Chair of Remuneration Committee and Nominations Committee**

*Appointed March 2021*

Kim Frost was Director of Human Resources at the University of London for more than 15 years, and combined that role with the position of University Secretary for 18 months before taking semi-retirement in 2018. He was National Chair of the Universities Human Resources Association from 2014 to 2016 and during that time was part of the UCEA national sector pay bargaining team. Kim is currently a Trustee of the Institute of Development Studies in Sussex where he chairs the Remuneration Committee, a Non-Executive Director of PHES (the umbrella organisation for professional bodies in higher education), and runs his own HR consultancy.

## Mr Bob Branson

**Independent Governor. Chair of Audit and Risk Committee**

*Appointed January 2019*

Since qualifying as a Chartered Accountant in 1986, Bob's career has spanned a number of organisations including starting up a forensic accountancy service within PriceWaterhouseCoopers in Birmingham. He joined the Environment Agency in 2000 and was Finance Director from 2016-18. From 2012 to 2018 Bob was a member of the Financial Reporting Advisory Board that sets accounting standards for the whole of the public sector. Following a year as Director of Finance Operations at Defra, aligning systems and processes across the five largest organisations in Defra group. In October 2019, he was appointed Finance Director for Birmingham City University. He retired in April 2022.

## Dr Catherine MacKenzie

**Independent Governor**

***Appointed January 2020***

Dr MacKenzie holds judicial office, together with a number of public appointments, and is also an academic lawyer. She is Chairman of the Plant Varieties and Seeds Tribunal, a Governing Bencher of Inner Temple Inn of Court, UK Commonwealth Scholarship Commissioner, and member of the Agricultural and Horticultural Development Board. She has academic appointments at Oxford, Cambridge, and UCD and is the author/editor of leading publications on international environmental law.

Catherine sits on the Audit and Risk Committee.

## Professor Peter McCaffery

**Vice-Chancellor and Governor**

As Vice-Chancellor, Professor McCaffery's role is to provide guidance and leadership on all aspects of academic activity within the university.

Peter has over thirty-five years leadership, management, teaching, and research experience across a range of institutions from further education colleges to USA Ivy League University, including as Vice-Chancellor and Chief Executive at the University of Cumbria and Deputy Vice-Chancellor at London Metropolitan University.

A Winston Churchill Fellow and Idlewild Fellow at the University of Pennsylvania – where he pioneered new modes of inquiry into political corruption in the American city – Peter is a graduate of the Cabinet Office Top Management Programme and has acted as a consultant for a variety of bodies including the British Council, the governments of Botswana and Jamaica and the Centre for HE, Germany.

Peter is also the UK editor, author, and collaborator for the Epigeum (Oxford University Press) project that pioneered the first world class, online programme with global reach on university leadership and management development. In 2021, he was appointed a Companion of the Chartered Management Institute.

An American historian by background, Peter was a regular analyst for Sky News on the Trump Presidency and its legacy.

## Mr Neil Scott

**Independent Governor. Chair of Finance and Estates Committee**

***Appointed March 2021***

Neil has extensive experience in the UK Higher Education sector and is currently the Chief Operating Officer at Aston University. He has previously held senior positions at the University of Hull, Wyevale Garden Centres, Marstons, and Ford Motor Company. He is chair of Trustees at Family Fund, which provides grants to families raising disabled or seriously ill children, and Chair of Governors at a university technical college in Birmingham. He has also been a non-executive director at Birmingham Community Healthcare NHS Trust.

Neil sits on the Remuneration Committee.

## Ms Susan Steer

**Independent Governor**

***Appointed March 2021***

Susan was one of the first three women to be admitted to the Royal Agricultural College to read Rural Estate Management in 1979.

Her career started with the Land and Water Service of the Ministry of Agriculture and, after a spell with a firm of land agents in Cheshire, she joined Manchester Airport Plc where she was involved in the £200 million second main runway scheme and the creation and management of the £20 million environmental scheme surrounding the new runway.

Susan established her own firm, Steer Ethelston Rural Ltd, Chartered Surveyors in 2002 and, in 2011, also became a Director of 3D Rural Surveyors Ltd, specialising in environmental matters. Susan and her husband have, until recently, also run a Soil Association certified organic farm in the heart of the Cheshire Plain.

During her career she has been actively involved with the Royal Institution of Chartered Surveyors and has held the positions of local secretary and chairman for Lancashire, Cheshire, and the Isle of Man branches. She has also held the post of President of the Cheshire Agricultural Valuers Association. Susan is the current Chairman of the national RICS Countryside Policy Panel, a member of the Rural Coalition, and a Trustee of the Cheshire Wildlife Trust.

Susan sits on the Finance and Estates Committee and Remuneration Committee.

## Mr Hugh Baker

**Independent Governor**

Hugh is an RAU alumnus, having completed the Postgraduate in Rural Estate Management course in 1993. He qualified MRICS in 1996 whilst working for Brown & Co in the East Midland/East Anglia area. In 2004, he established Hub Rural, a property and business consultancy focused on typically larger and complex agri-food businesses and landowners across the UK. As the business has developed, and grown in size and employee numbers, he now spends most of his time in Trustee, Chair, and Non-Executive roles within client businesses, whilst keeping his hand in with a range of agency, professional and business consultancy activity.

Hugh sits on the Audit and Risk Committee.

## Mrs Joy Lo Dico

**Independent Governor**

Joy is a columnist for the Financial Times and owner of Voltaire's Wood, 120 acres of woodland in Gloucestershire. For the Financial Times she writes about life and culture with a focus on reactions to the ecological crisis. Voltaire's Wood is a project to restore and revive a semi-ancient natural woodland through the involvement of people with nature. Previously, Joy was an executive editor of the London Evening Standard and also founded Trouble, the talks club for women. She currently also sits on Purpose Union's Climate Council and divides her time between London and Stroud.

Joy sits on the Nominations Committee.

## Mr Wilfred Emmanuel-Jones MBE

**Independent Governor**

Wilfred was born in Jamaica and, after his parents came to the UK in the 50s as part of the Windrush generation, he was raised in inner city Birmingham. He worked as a chef before pursuing a career in television becoming a producer/director for the BBC. In 1994, he founded a food and drink marketing agency in London which went on to run successful marketing campaigns for many well-known brands. In 2000, Wilfred fulfilled a lifelong ambition when he bought a small farm in Devon which inspired him to develop and launch his own food brand The Black Farmer. He was awarded an Honorary Doctorate in Marketing by Plymouth University in 2012 and, in 2021, an Honorary Degree for Distinction in the Farming Industry by Writtle University College. He has published two books and, in 2019, set up The Hatchery, an incubator scheme for fledgling brands. Wilfred was awarded an MBE for services to farming in the 2020 New Year's Honours List.

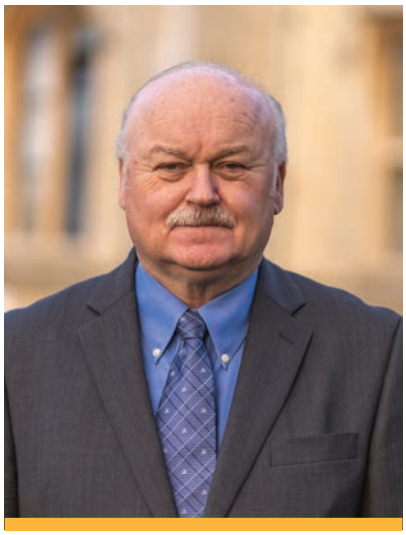
Wilfred sits on the Nominations Committee.

## Mr Jason Makepeace

**Independent Governor**

Jason has worked in Government and public sector transformation for 20 years. He is currently an interim Government leader, applying emerging science and technology to strengthen global resilience. He is a digital advisor to the board of Plan UK and Access Social Care, and a Government and charities advisor to Cheltenham's Golden Valley Development and CyNam start up community.

Jason sits on the Audit and Risk Committee.



## Mr David Morgan

**Independent Governor**

David has spent more than 40 years working in the agricultural industry and has lived and worked in Europe, South America, North America, and Asia. He retired in 2021 and is now an independent advisor to agricultural enterprises and a consultant to venture capital and private equity companies engaged in the food and agriculture sector. David has an MA in Agricultural and Forestry Sciences from Oxford University. During his career, David has been the Global Head of Seeds and Biotechnology for Bayer Crop Science as well as Regional Head Asia Pacific and Regional Head North America for Syngenta, and latterly Global Head of the Vegetables and Specialty Crops business of Syngenta. Beyond his corporate roles, David has been a Board member of EuropaBio (Brussels), BIO (Washington), and The Future Farmers of America (USA).

David sits on the Audit and Risk Committee.

## Ms Sue Pritchard

**Independent Governor**

Sue is Chief Executive of the independent charity, the Food, Farming, and Countryside Commission (FFCC). Before FFCC, Sue worked in leadership, strategy, culture, and change, with a portfolio career as a consultant and coach, a researcher, writer, and non-executive, including Non-Executive Director, and then chair of a local health board in Wales.

Sue has held Visiting and Honorary Fellowships at Salford University, Leeds University, Ashridge Business School, and University College, London, typically working with consortia of public and private sector organisations on large scale systems change, and leading and delivering major and complex projects. Sue sits on several academic advisory boards and is also a trustee of CoFarm Foundation. She lives on a Soil Association accredited organic livestock farm in Monmouthshire, with a focus on farming for conservation, breeding Hereford cattle, Jacob sheep, and Suffolk horses.

Sue sits on the Finance and Estates Committee.

## Mr Philip Hudson

**Staff Governor**

***Appointed February 2021***

Phil Hudson is Head of School: Agriculture, Food and Environment (SAFE), a position he was appointed to in September 2020. Phil joined the RAU in 2016 as a lecturer before becoming a senior Lecturer two years later and then progressing to Head of School. Before joining the RAU, Phil had a long career in policy analysis and representation working for the National Farmers Union of England and Wales. Phil leads the academic team in SAFE, contributing to developing, and managing the School to deliver the best possible teaching and learning opportunities for the students. Phil's main interests are agri-food policy, particularly how policy is derived and the many challenges and choices that need to be made in changing and adapting global food systems.

Phil sits on the Finance and Estates Committee and Nominations Committee.

## Mr Zac Missen

**Student Governor**

***Appointed September 2021***

As RAU Students' Union President, Zac was lead spokesperson for the Students' Union and representative for RAU students on many University committees that made decisions about the policies affecting learning and teaching.

Zac is passionate about life at the university and aims to ensure that the time students spend at RAU is the best that it can be through enhancing the student experience. He supported students by representing their views and making sure the student voice was heard.

Zac graduated from the RAU in 2021 having studied International Business Management (Food and AgriBusiness).

Zac sits on Nominations Committee.

## Governing Council members who left during the year to 31 July 2022

**Professor Joanna Price** – August 2021

**Alison Bernays** – September 2021

**Lewis Bebb** – September 2021

**Professor Jonathan Kydd** – December 2021

**Julie Robinson** – January 2022

**Zac Missen** – February 2022

## President

**His Majesty King Charles III**

## Vice-President

**The Earl Bathurst**

## Register of Interests

The University maintains a Register of Interests of Governors. This may be inspected by prior arrangement with the Company Secretary.

A similar register is maintained for senior managers, budget holders and academics.

# Governors' Shareholdings

## Governors' interests in shares of the University

Governors, as at 31 July 2022, with an interest in shares of the University.

The remaining shares are held by former Governors, Friends of the University, or members of the original founding families. No dividends or tangible benefits accrue to the holders of the shares.

| | 31 July 2021 | 31 July 2022 |
|---|---|---|
| Mr Mohamed Amersi | 3 | - |
| Mrs Alison Bernays | 5 | - |
| Mr Bob Branson | 4 | 5 |
| Mr Ian Cooper | 1 | - |
| Mr Kim Frost | 3 | 5 |
| Professor Jonathan Kydd | 4 | - |
| Dr Catherine MacKenzie | 3 | 5 |
| Professor Peter McCaffery | - | 4 |
| Mr John Pain | 4 | - |
| Professor Jo Price | 3 | - |
| Dame Fiona Reynolds | 3 | 5 |
| Ms Julie Robinson | 3 | - |
| Mr Neil Scott | 3 | 5 |
| Mrs Susan Steer | 3 | 5 |
| Mr James Townsend | 3 | - |
| Total | 45 | 34 |

# Risk Management and Statement of Internal Controls

The Governing Council of the University is responsible for maintaining a sound system of internal control that supports the achievements of policies, aims, and objectives, while safeguarding the public and other funds and assets for which it is responsible.

This is done in accordance with the responsibilities assigned to the Governing Council in the University's Memorandum and Articles, and the Memorandum of Assurance and Accountability of the OfS.

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. It 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. We review the effectiveness of internal control on at least an annual basis.

The Governing Council is required to express a view as to whether its processes are adequate in accordance with the direction from the OfS for identifying, evaluating, and managing the University's risks during the year. The appropriate committees of the Governing Council have considered these processes and are of the view that they are adequate. Nevertheless, the University seeks to continue to strengthen them.

The aforementioned policies and procedures continue to be developed and the Governing Council is satisfied that the University's internal control and risk management assessments meet the requirements set out by OfS Accounts direction to higher education institutions OfS 2018.26.

The Audit and Risk Committee is tasked with providing oversight and advice on the effectiveness of the establishment and implementation of risk management. Key strategic risk assessments are

performed by senior managers within the University and included in the strategic risk register (SRR) which is allocated to the most appropriate member of the Executive Team for monitoring and action.

For each strategic risk, a more detailed risk register log is maintained identifying risk causes, rating, and ownership details. The SRR is reviewed on a regular basis by the Executive Team and updates to the SRR are presented to the Audit and Risk Committee at each meeting, showing progress and/or movements in the overall risk status from the previous review. This summary is then taken to the Governing Council meeting for review and approval.

The University's Internal Audit function for the financial year was carried out by Uniac, a higher education internal audit specialist. Their programme of work was built upon a risk-based approach with focus on key strategic risks, value for money, and any areas of suspected weakness that might require further attention. The Internal Auditors operate to standards defined in the OfS Audit Code of Practice and submit regular reports, which include the head of internal audit's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

During the year, the internal auditors identified areas of limited assurance relating to the quality of the student experience and how the University ensures equality, diversity and inclusion in its operations. Management has agreed the recommendations of the internal auditors and is taking action to address these concerns. The Audit and Risk Committee will oversee the implementation of these actions.

The Governors' review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the executive managers within the University. The Executive Team has responsibility for the development and maintenance of the internal control framework, taking account of any points made by the External Auditors in their management letter and other reports to Govenors and management. On the basis of this information, the Governors identify areas where actions are required to improve the effectiveness of the systems of internal control and steps are taken to address these.

The University's Articles of Association give Governors Indemnity Insurance and Qualifying Third Party Indemnity provision as permitted by the Companies Act 2006. This was in force throughout the year and at the year end.

On behalf of the Governing Council:

Dame Fiona Reynolds
Chair of Governors

# Independent Auditor's Report to the Governing Council of the Royal Agricultural University

## 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 and the University's cash flows for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Royal Agricultural University ("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 Governing Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group 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 Governing Council is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Other Companies Act 2006 reporting

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

- The information given in the annual report, which includes the report of the Governing Council and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the report to the Governing Council, which are included in the annual report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the Governing Council.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of board members' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

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

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 and UK Research and Innovation (including Research England), 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 note 3 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 10 to the accounts, has been materially misstated.

## Responsibilities of Governing Council

As explained more fully in the Governing Council's responsibilities statement, the Governing Council (who are also the directors of the University for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Council 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 Governing Council 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 Governing Council either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

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

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

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

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.

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.

## Audit response to risks identified

We designed and executed procedures in line with our responsibilities to detect material misstatements in respect of irregularities, including fraud. These procedures, together with the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

- 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;
- Discussions with management, the Audit and Risk Committee and the Council, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing items included in the fraud register;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to assumptions applied in calculating pension liabilities, fixed asset depreciation and the assumptions used in the valuation of heritage assets;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition;
- Identifying and testing journal entries, in particular journals to cash and revenue codes, material journals, duplicate entries and journals containing specific text.

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. 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).

## Use of our report

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's Governing Council 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 Governing Council members as a body, for our audit work, for this report, or for the opinions we have formed.

**Samantha Lifford (Senior Statutory Auditor)**

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

Date: 20 December 2022

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

# Financial Statements

# Consolidated and University Statements of Comprehensive Income Year ended 31 July 2022

| | Note | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|---|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **Income** | | | | | |
| Tuition fees and education contracts | 2 | 12,270 | 12,215 | 11,311 | 11,247 |
| Funding body grants | 3 | 1,459 | 1,459 | 1,727 | 1,727 |
| Research grants and contracts | 4 | 289 | 289 | 175 | 175 |
| Other income | 5 | 4,710 | 4,206 | 3,469 | 3,163 |
| Investment income | 6 | 66 | 66 | 59 | 59 |
| **Total income before donations and endowments** | | **18,794** | **18,235** | **16,741** | **16,371** |
| Donations and endowments | 7 | 220 | 220 | 226 | 226 |
| **Total income** | | **19,014** | **18,455** | **16,967** | **16,597** |
| **Expenditure** | | | | | |
| Staff costs | 8 | 9,825 | 9,510 | 10,105 | 9,896 |
| Other operating expenses | | 8,210 | 7,957 | 7,202 | 7,041 |
| Interest and other finance costs | 9 | 223 | 223 | 231 | 231 |
| Depreciation and amortisation | 10 | 996 | 996 | 1,004 | 1,004 |
| **Total expenditure** | **10** | **19,254** | **18,686** | **18,542** | **18,172** |
| Loss before other gains and losses | | (240) | (231) | (1,575) | (1,575) |
| Loss on sale of fixed assets and investments | | (77) | (77) | (236) | (236) |
| (Loss)/gain on investments | 14 | (127) | (127) | 446 | 446 |
| **Operating loss for the year before taxation** | | **(444)** | **(435)** | **(1,365)** | **(1,365)** |
| Taxation | | - | - | - | - |
| **Operating loss for the year** | | **(444)** | **(435)** | **(1,365)** | **(1,365)** |
| Actuarial gain in respect of pension schemes | 30 | 7,385 | 7,385 | 1,599 | 1,599 |
| Asset revaluation reserve movement | | (12) | (12) | (12) | (12) |
| **Total comprehensive income for the year** | | **6,929** | **6,938** | **222** | **222** |
| **Represented by:** | | | | | |
| Endowment comprehensive (expenditure)/income for the year | | (118) | (118) | 495 | 495 |
| Unrestricted comprehensive income/(expenditure) for the year | | 7,047 | 7,056 | (273) | (273) |
| **Attributable to the University** | | **6,929** | **6,938** | **222** | **222** |

All items of income and expenditure relate to continuing activities.

The notes on pages 88 - 113 form part of these financial statements.

# Consolidated and University Statements of Changes in Reserves Year ended 31 July 2022

| Consolidated | Income reserve | | | Revaluation reserve | Share capital | Total |
|---|---|---|---|---|---|---|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 | £'000 |
| **At 1 August 2020** | **1,984** | **-** | **10,776** | **12,076** | **1** | **24,837** |
| Operating surplus/(loss) from the comprehensive income statement | 495 | - | (1,860) | - | - | (1,365) |
| Other comprehensive income - actuarial gain | - | - | 1,599 | - | - | 1,599 |
| Asset revaluation reserve movements | - | - | - | (12) | - | (12) |
| Transfer of excess depreciation on revaluation of fixed assets | - | - | 174 | (174) | - | - |
| **Total comprehensive income/ (expenditure) for prior year** | **495** | **-** | **(87)** | **(186)** | - | **222** |
| **At 31 July and 1 August 2021** | **2,479** | **-** | **10,689** | **11,890** | **1** | **25,059** |
| Operating loss from the comprehensive income statement | (70) | - | (374) | - | - | (444) |
| Other comprehensive income - actuarial gain | - | - | 7,385 | - | - | 7,385 |
| Asset revaluation reserve movements | - | - | - | (12) | - | (12) |
| Transfer of excess depreciation on revaluation of fixed assets | - | - | 175 | (175) | - | - |
| Release of endowment and restricted capital funds spent in the year | (48) | - | 48 | - | - | - |
| **Total comprehensive (expenditure)/income for the year** | **(118)** | **-** | **7,234** | **(187)** | - | **6,929** |
| **Balance at 31 July 2022** | **2,361** | **-** | **17,923** | **11,703** | **1** | **31,988** |



The notes on pages 88 - 113 form part of these financial statements.

## University

| | Income reserve | | | Revaluation reserve | Share capital | Total |
|---|---|---|---|---|---|---|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | £'000 | £'000 | £'000 |
| **At 1 August 2020** | **1,984** | **-** | **10,776** | **12,076** | **1** | **24,837** |
| Operating surplus/(loss) from the comprehensive income statement | 495 | - | (1,860) | - | - | (1,365) |
| Other comprehensive income – actuarial gain | - | - | 1,599 | - | - | 1,599 |
| Asset revaluation reserve movements | - | - | - | (12) | - | (12) |
| Transfer of excess depreciation on revaluation of fixed assets | - | - | 174 | (174) | - | - |
| **Total comprehensive income/ (expenditure) for prior year** | **495** | **-** | **(87)** | **(186)** | - | **222** |
| **At 31 July and 1 August 2021** | **2,479** | **-** | **10,689** | **11,890** | **1** | **25,059** |
| Operating loss from the comprehensive income statement | (70) | - | (365) | - | - | (435) |
| Other comprehensive income - actuarial gain | - | - | 7,385 | - | - | 7,385 |
| Asset revaluation reserve movements | - | - | - | (12) | - | (12) |
| Transfer of excess depreciation on revaluation of fixed assets | - | - | 175 | (175) | - | - |
| Release of endowment and restricted capital funds spent in the year | (48) | - | 48 | - | - | - |
| **Total comprehensive (expenditure)/income for the year** | **(118)** | **-** | **7,243** | **(187)** | - | **6,938** |
| **Balance at 31 July 2022** | **2,361** | **-** | **17,932** | **11,703** | **1** | **31,997** |

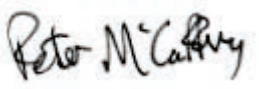
# Consolidated and University Balance Sheets At 31 July 2022

Company Number 99168

| | Note | At 31 July 2022 Consolidated £'000 | At 31 July 2022 University £'000 | At 31 July 2021 Consolidated £'000 | At 31 July 2021 University £'000 |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Intangible assets | 11 | 290 | 290 | 232 | 232 |
| Fixed assets | 12 | 32,566 | 32,566 | 32,830 | 32,830 |
| Heritage assets | 13 | 604 | 604 | 616 | 616 |
| Investments | 14 | 2,258 | 4,808 | 2,385 | 4,935 |
| | | **35,718** | **38,268** | **36,063** | **38,613** |
| **Current assets** | | | | | |
| Stock | 15 | 2,789 | 268 | 2,738 | 215 |
| Trade and other receivables | 16 | 1,203 | 1,476 | 958 | 1,134 |
| Cash and cash equivalents | 23 | 2,920 | 2,579 | 3,266 | 3,030 |
| | | **6,912** | **4,323** | **6,962** | **4,379** |
| Creditors: amounts falling due within one year | 17 | (3,136) | (3,088) | (3,085) | (3,052) |
| **Net current assets** | | **3,776** | **1,235** | **3,877** | **1,327** |
| **Total assets less current liabilities** | | **39,494** | **39,503** | **39,940** | **39,940** |
| Creditors: amounts falling due after more than one year | 18 | - | - | (98) | (98) |
| **Provisions** | | | | | |
| Pension provisions | 19 | (7,428) | (7,428) | (14,709) | (14,709) |
| Other provisions | 19 | (78) | (78) | (74) | (74) |
| **Total net assets** | | **31,988** | **31,997** | **25,059** | **25,059** |
| **Restricted Reserves** | | | | | |
| Income account reserve - endowment | 20 | 2,361 | 2,361 | 2,479 | 2,479 |
| Income account reserve - restricted | 21 | - | - | - | - |
| **Unrestricted Reserves** | | | | | |
| Income account reserve - unrestricted | | 17,923 | 17,932 | 10,689 | 10,689 |
| Revaluation reserve | | 11,703 | 11,703 | 11,890 | 11,890 |
| | | **31,987** | **31,996** | **25,058** | **25,058** |
| Share capital | 22 | 1 | 1 | 1 | 1 |
| **Total Reserves** | | **31,988** | **31,997** | **25,059** | **25,059** |

The financial statements were approved and authorised for issue by the Governing Body on 19 December 2022 and were signed on its behalf on that date by:

Dame Fiona Reynolds,
Chair of Governors



Professor Peter McCaffery,
Governor



The notes on pages 88 - 113 form part of these financial statements.

# Consolidated Cash Flow Statement
# Year ended 31 July 2022

| | Year ended 31 July 2022 | Year ended 31 July 2021 |
|---|---|---|
| | £'000 | £'000 |
| **Cash flow from operating activities** | | |
| Deficit for the year | (444) | (1,365) |
| **Adjustment for non-cash items** | | |
| Amortisation of intangible assets | 111 | 154 |
| Depreciation | 885 | 850 |
| Endowment investment movements | 127 | (446) |
| Increase in stock | (51) | (2,409) |
| (Increase)/decrease in debtors | (245) | 608 |
| Increase/(decrease) in creditors | 127 | (288) |
| Increase in other provisions | 4 | 4 |
| Post-employment benefits less payments | 104 | (437) |
| **Adjustment for investing or financing activities** | | |
| Investment income | (66) | (59) |
| Interest payable | 2 | 5 |
| Loss on the sale of fixed assets and investments | 77 | 236 |
| Capital grant income | (30) | (116) |
| **Net cash inflow/(outflow) from operating activities** | **601** | **(3,263)** |
| **Cash flows from investing activities** | | |
| Capital grant receipts | 30 | 116 |
| Proceeds from sale of fixed assets and investments | 7 | 2,264 |
| Investment income | 66 | 59 |
| Payments made to acquire intangible assets | (169) | (33) |
| Payments made to acquire tangible fixed assets | (705) | (168) |
| Write-off of costs of fixed asset held at valuation | - | 244 |
| **Net cash (outflow)/inflow from investing activities** | **(771)** | **2,482** |
| **Cash flows from financing activities** | | |
| Interest paid | (2) | (5) |
| Repayment of loans | (174) | (75) |
| **Net cash outflow from financing activities** | **(176)** | **(80)** |
| **Decrease in cash and cash equivalents in the year** | **(346)** | **(861)** |
| **Cash and cash equivalents at beginning of the year** | **3,266** | **4,127** |
| **Cash and cash equivalents at end of the year (note 23)** | **2,920** | **3,266** |

The notes on pages 88 - 113 form part of these financial statements.

# Notes to the Financial Statements for the year ended 31 July 2022

## 1. Statement of Principal Accounting Policies and Estimation Techniques

**Basis of preparation**

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed assets, in accordance with the Companies Act 2006, the Statement of Recommended Practice (SORP) – Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard 102 (FRS102).

As in previous years the University has adapted some of the headings and sub-headings in its financial statements due to the special nature of its business as permitted by Section 404 (5) of the Companies Act 2006.

The following accounting policies have been applied consistently in dealing with items that are considered material to the financial statements:

**Going Concern**

In preparing the financial statements, the Governing Council has considered going concern.

The University has conducted a going concern review for the period from 1 August 2022 to 31 July 2025 (being a period of at least 12 months from the signing of the financial statements). This comprised a three-year cash flow projection which showed that the University maintained sufficient liquidity (without the use of its revolving credit facility) to meet its liabilities as they fall due over this period.

The going concern review included an assessment of the opportunities, risks and mitigating actions should the University's financial performance be unexpectedly worse than the base forecast. Downside scenario stress testing was performed which demonstrated that with a 10% reduction in future student numbers (considered highly unlikely), the University would still retain sufficient liquidity (with the use of its revolving credit facility) to meet its liabilities as they fall due over this period. In this scenario, the revolving credit facility would not be required until August 2024.

The University took out the two-year £1 million revolving credit facility with Lloyds Bank in February 2021 to provide increased access to cash funds over the short to medium term. This facility has now been extended until February 2025. Its primary purpose is to provide additional liquidity in periods of low cash balances caused by the known impact of the irregular timing of cash receipts (primarily Student Loan Company funding). The facility has certain covenants attached but forecasts demonstrate that covenant compliance will be maintained. This facility will provide access to liquidity during the going concern period and beyond.

At the date of approval of these financial statements, the Governing Council has prepared cash flow forecasts to 31 July 2025 and performed an assessment which considers a period of at least 12 months from the date of approval of the financial statements. As the University enters the post-pandemic world, it is difficult to predict future performance and cash flows with certainty. The actual scenarios which materialise in the period ahead will undoubtedly be different to the scenarios modelled. In the event that the actual position is worse than that modelled in the forecasts, the Governing Council has a reasonable expectation that the University's current liquidity and the further mitigation actions available would enable the University to respond to such circumstances. As such, the Governing Council acknowledges that uncertainty exists but does not consider this to be material uncertainty that would cast doubt on the University's ability to continue as a going concern. At the date of approval of these financial statements and having taken into consideration all of the aforementioned comments, the Governing Council considers that the University has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the signing of these accounts. Therefore, the Governing Council considers it appropriate to continue to adopt the going concern basis in preparing the annual financial statements.

**Basis of consolidation**

The consolidated financial statements include the University and its trading subsidiaries, Royal Agricultural University Enterprises Limited (RAUEL) and Royal Agricultural College Limited (RACL). As required by the SORP, a separate Statement of Comprehensive Income for the University is presented. Intra-group sales and profits are eliminated on consolidation. Accounting policies have been applied consistently across the group.

**Income recognition**

Funding body block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the Statement of Comprehensive Income over the period in which the students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for as expenditure and included within operating expenditure.

Income from grants, contracts, and other services rendered are accounted for on a performance basis and included in income as the performance requirements are met. Payments received in advance of performance are recognised on the balance sheet as deferred income in liabilities.

# Notes to the Financial Statements for the year ended 31 July 2022

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. The grants are credited to deferred income in liabilities on the balance sheet until performance criteria are met, at which point they are released to the Statement of Comprehensive Income.

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers against the order received or the terms of the contract have been satisfied.

Endowment and investment income is credited to the Statement of Comprehensive Income on a receivables basis. Income from endowments not expended in accordance with the conditions of the endowment is transferred from the Statement of Comprehensive Income to endowment reserve. Any realised gains or losses from dealing in the related assets are retained within the endowment reserve in the balance sheet.

Changes in value arising on the revaluation of fixed asset investments to market value are charged/credited to the Statement of Comprehensive Income as they arise. Increases/decreases in value arising on revaluation or disposal of endowment assets are added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset and crediting or debiting the endowment fund and reported in the Statement of Changes in Reserves.

**Agency arrangements**

Funds the University receives and disburses as paying agent on behalf of a funding body or other body, where the University is exposed to minimal risk or enjoys minimal economic benefit related to the receipt and subsequent disbursement of the funds, are excluded from the Statement of Comprehensive Income of the University.

**Leases and hire purchase contracts**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the Statement of Comprehensive Income in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

**Taxation**

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

The University receives no similar exemption in respect of Value Added Tax (VAT). The University's principal activities are exempt from VAT, but certain ancillary supplies and services are liable to VAT at various rates. Irrecoverable VAT on inputs is included in the costs of such expenditure. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

The University's wholly owned subsidiary companies, Royal Agricultural University Enterprises Limited and Royal Agricultural College Limited, are liable to Corporation Tax and VAT in the same way as any other commercial organisation.

**Apportionment of costs**

Where costs are apportioned between cost headings, the apportionment is carried out so as to best reflect the time spent by staff in carrying out their duties in the different operations of the University.

**Termination benefits**

Termination benefits are recognised when an agreement is made with an employee. This expenditure is recognised in the period to which the agreement is made with any unpaid amounts accrued for at year end.

**Intangible fixed assets**

An intangible asset purchased separately and/or developed by the University is capitalised at its cost and amortised over its useful economic life. The University has intangible fixed assets relating to the University's IT software including its website, Customer Relationship Management System and financial and other support software. IT software is being amortised over its estimated economic life of four years.

# Notes to the Financial Statements for the year ended 31 July 2022

**Tangible fixed assets for University use**

Tangible fixed asset additions where cost of acquisition exceeds £5,000 (2021: £5,000) are capitalised. Items costing less than this, unless part of a larger asset, are written off in the year of purchase.

Land and building fixed assets held as at 1 August 2014 were revalued as at that date and are carried at deemed cost based on that valuation. Any subsequent additions to land and buildings are included at cost. Cost of fixed assets includes interest on borrowings to finance construction of assets to the extent that such interest accrues in respect of the period of construction.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Statement of Comprehensive Income in the period it is incurred. The asset values are reviewed each year to ensure they still represent fair value and an impairment is made in the Statement of Comprehensive Income if a material reduction in net book value is noted.

**Acquisition with the aid of specific grants**

Where tangible fixed assets are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the Statement of Comprehensive Income as soon as the performance criteria for the grant have been met.

**Depreciation**

Depreciation is provided on tangible fixed assets and intangible fixed assets at rates calculated to write off the cost, less estimated residual value, over their expected useful lives on a straight line basis as shown below. Freehold land is not depreciated.

| | |
|---|---|
| Freehold buildings | 1% to 5% |
| Fixed fixtures and fittings | 10% |
| Moveable fixtures and fittings | 20% to 33% |
| Plant and machinery | 10% to 20% |
| Computers – hardware | 17% to 33% |
| Farm plant and machinery | 10% or 20% |
| Software | 25% |

**Investments**

Investment property is land for capital appreciation and not for use in the provision of services, for administrative purposes or sale in the ordinary course of business. Direct development costs incurred to enhance the value or saleability of the land is capitalised before a fair value review each year.

The investment property is recorded in the balance sheet at its fair value and is not depreciated. Any increase or decrease in valuation is recorded as an unrealised gain or loss in the Statement of Comprehensive Income. The asset values are reviewed each year to ensure they still represent fair value and a formal valuation is conducted every three years.

Listed investments held as fixed or endowment assets are shown at market value. Gains and losses arising on investment assets, through change in valuation, are credited/charged in the Statement of Comprehensive Income. Gains or losses arising from the disposal of assets are also included in the Statement of Comprehensive Income as realised, being the difference between sales proceeds and market value at the beginning of the year. The University's investment in its wholly owned trading subsidiaries is carried at cost.

**Heritage assets**

Heritage assets relate primarily to two groups of vintage assets which are of significant value to the study of agriculture and the rural environment, and comprise:

- Certain displayed paintings including past University Governors, Principals, Vice-Chancellors and other senior staff and agricultural scenes.
- A collection of books and manuscripts of historical importance from the 16th to 19th centuries on subjects including animal husbandry, botany and natural history. Some of these manuscripts are on permanent display or otherwise available for public viewing by arrangement with the University Library.

These assets have been gifted to or purchased by the University over the years since its establishment in 1845 and, if capitalised originally, no longer feature in the fixed asset register. The two groups of assets are stated at valuation in the financial statements and the valuations are not subject to depreciation. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Heritage assets are independently valued every 10 years.

# Notes to the Financial Statements for the year ended 31 July 2022

**Agriculture**

The University's operations include arable farming and a small vineyard. The plants and their harvested crops are treated as current assets within farm stocks.

**Stocks**

Farm stocks are valued in accordance with the Royal Institution of Chartered Surveyors and the Central Association of Agricultural Valuers Guidance Notes. Growing crops, feedstuffs, sprays and fertilisers are valued at cost. Land for development is valued at deemed cost and is reviewed for impairment annually. Other stock is valued at cost. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

**Cash and cash equivalents**

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts, if they form an integral part of cash management.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. They also include any such assets held as endowment asset investments.

**Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

**Accounting for research and development**

Expenditure on pure and applied research is treated as a part of the continuing activities of the University. Development expenditure is only capitalised where it is probable that the asset developed will generate future economic benefit. Any other expenditure on development is written off as incurred. Expenditure on capitalised development activities is carried forward and amortised over the period of expected benefit.

**Intra-group transactions**

Gains or losses on any intra-group transactions and amounts in relation to debts and claims between group undertakings are eliminated on consolidation.

**Donations and endowments**

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

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

Investment income and appreciation of endowments are recorded in income in the year in which they arise as either restricted or unrestricted income, according to the terms and other restrictions applied to the individual endowment fund.

These are the main types of donations and endowments identified within reserves:

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

# Notes to the Financial Statements for the year ended 31 July 2022

**Financial instruments**

The University has only financial assets and financial liabilities that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets include the University's trade and other receivables. Financial liabilities include the University's trade creditors, accruals, other creditors, and bank loans.

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate to their fair values. Where the financial instruments are of short maturity, the carrying value is equal to their fair value.

**Accounting for retirement benefits**

Retirement benefits were provided to many employees of the University by its own defined benefit scheme funded by contributions from the University and employees. This scheme was closed to future accruals on 30 September 2010. The defined benefit scheme is an independently administered scheme whose funds are valued every three years by a professionally qualified independent actuary. The level of deficit recovery plan payments are agreed with the scheme Trustees.

The University also participates in the Federated Superannuation System for Universities (FSSU) pension scheme which is treated as a defined benefit scheme.

The assets of defined benefit schemes are measured at fair value at each balance sheet date and the liabilities are measured using a specified actuarial valuation method to be discounted using a corporate bond rate. The cost to the University of funding its own defined benefit scheme is accounted for in accordance with FRS102.

Since October 2010 teaching staff have been active members of the Teachers' Pension Scheme (TPS), whose accounting treatment is outlined in note 30. The University also operates two defined contribution schemes which are independently administered. The contributions paid by the University to the defined contribution schemes are charged as expenditure in the year in which they are payable.

**Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) 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. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: a possible rather than a present obligation; a possible rather than a probable outflow of economic benefit or an inability to measure the economic outflow. Contingent assets are disclosed by way of a note where there is a possible, rather than a present, asset arising from a past event.

# Notes to the Financial Statements for the year ended 31 July 2022

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **2. Tuition fees and education contracts** | | | | |
| Full-time home and EU students | 8,502 | 8,502 | 8,501 | 8,501 |
| Full-time international students | 1,451 | 1,451 | 1,095 | 1,095 |
| Part-time students and non qualifying course students | 2,317 | 2,262 | 1,715 | 1,651 |
| | **12,270** | **12,215** | **11,311** | **11,247** |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **3. Funding body grants** | | | | |
| Office for Students/Research England funding | 1,429 | 1,429 | 1,611 | 1,611 |
| Capital grant | 30 | 30 | 116 | 116 |
| | **1,459** | **1,459** | **1,727** | **1,727** |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **4. Research grants and contracts** | | | | |
| Research charities | 6 | 6 | 101 | 101 |
| Industry and commerce | 62 | 62 | 53 | 53 |
| Other | 221 | 221 | 21 | 21 |
| | **289** | **289** | **175** | **175** |

| **Details of grant and fee income** | £'000 | £'000 | £'000 | £'000 |
|---|---|---|---|---|
| Grant income from OfS | 1,076 | 1,076 | 1,368 | 1,368 |
| Grant income from other bodies | 383 | 383 | 359 | 359 |
| Fee income for taught awards | 10,200 | 10,200 | 9,899 | 9,899 |
| Fee income for research awards | 387 | 387 | 271 | 271 |
| Fee income for non-qualifying courses | 1,972 | 1,917 | 1,316 | 1,252 |
| | **14,018** | **13,963** | **13,213** | **13,149** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **5. Other income** | | | | |
| Residences, catering and conferences | 3,500 | 2,949 | 1,813 | 1,629 |
| Farms income | 483 | 483 | 490 | 490 |
| Property rentals and ground hire income | 68 | 68 | 46 | 46 |
| Furlough income | 2 | 2 | 362 | 362 |
| Other income | 657 | 704 | 758 | 636 |
| | **4,710** | **4,206** | **3,469** | **3,163** |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **6. Investment income** | | | | |
| Other investment income | 66 | 66 | 59 | 59 |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **7. Donations and endowments** | | | | |
| Donations unrestricted | 41 | 41 | 42 | 42 |
| Donations with restrictions | 179 | 179 | 184 | 184 |
| | **220** | **220** | **226** | **226** |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **8. Staff costs** | | | | |
| Salaries | 8,177 | 7,862 | 8,408 | 8,199 |
| Social security costs | 838 | 838 | 825 | 825 |
| Other pension costs | 810 | 810 | 872 | 872 |
| | **9,825** | **9,510** | **10,105** | **9,896** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| **8. Staff costs (cont.)** | | | | |
| | P McCaffery | J Price | P McCaffery | J Price |
| **Emoluments of the Vice-Chancellor:** | £ | £ | £ | £ |
| Salary | 181,500 | 15,558 | - | 182,751 |
| Compensation for loss of office | - | - | - | 118,498 |
| Benefits – accommodation allowance | - | 1,500 | - | 18,000 |
| Payment in lieu of pension contributions | - | 3,053 | - | 36,644 |
| | **181,500** | **20,111** | **-** | **355,893** |

The remuneration of the senior staff at the RAU is in accordance with the principles of the Committee of Chairs' Voluntary Remuneration Code for HE Senior Staff, including Vice-Chancellors. The remuneration package of the Vice-Chancellor is subject to annual review by the Remuneration Committee, a committee of the Governing Council of the University.

The Vice-Chancellor reports to the Chair of Governing Council, who undertakes an annual review of their performance against the University's overall objectives using both qualitative and quantitative measures of performance.

| | Year ended 31 July 2022 | Year ended 31 July 2021 |
|---|---|---|
| | Number | Number |
| **Relationship of the Vice-Chancellor to all other employees expressed as a pay multiple** | | |
| Vice-Chancellor's basic salary to employees' median (J Price to 31/8/2021) | 5.9 | 5.3 |
| Vice-Chancellor's total remuneration to employees' median (J Price to 31/8/2021) | 7.0 | 10.1 |
| Vice-Chancellor's basic salary to employees' median (P McCaffery from 1/9/2021) | 6.3 | - |
| Vice-Chancellor's total remuneration to employees' median (P McCaffery from 1/9/2021) | 5.7 | - |
| **Remuneration of other higher paid staff excluding pension contributions and termination payments** | | |
| £100,000 - £104,999 | 1 | 1 |
| £135,000 - £139,999 | 1 | - |
| £145,000 - £149,999 | 1 | 1 |

# Notes to the Financial Statements for the year ended 31 July 2022

## 8. Staff costs (cont.)

| Average full time equivalent staff numbers by major category | Year ended 31 July 2022 | Year ended 31 July 2021 |
|---|---|---|
| Academic | 53 | 50 |
| Academic support | 4 | 8 |
| Continuing education | 5 | 5 |
| Academic services | 36 | 26 |
| Central administration | 53 | 49 |
| Staff and student facilities | 5 | 7 |
| Premises | 10 | 11 |
| Residences and catering | 37 | 38 |
| | **203** | **194** |

Termination payments were paid or due for the year totalling £350,000 (2021: £738,000) relating to termination severance and settlement payments. £218,000 (2021: £118,498) is included in creditors. The accounting policy for termination payments is shown in note 1.

| Key management personnel | Year ended 31 July 2022 £'000 | Year ended 31 July 2021 £'000 |
|---|---|---|
| Key management personnel remuneration | **858** | **831** |

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. The Key Management Personnel are the Vice-Chancellor, Deputy Vice-Chancellor (part last year), Director of Finance, Chief Operating Officer (part last year), Company Secretary, University Treasurer, Director of Research and Pro Vice-Chancellor. Compensation consists of salary and benefits, including any employer's pension contributions and supplements.

**Governing Council members**

The Governing Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Governing Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Council may have an interest. All transactions involving organisations in which a member of Governing Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and procurement procedures.

No Council member has received any remuneration or waived payments from the University or any subsidiary during the year (2021: £Nil). The total expenses paid to or on behalf of 9 council members in the year was £2,768 (2021: £1,845 to 5 Council members). This represents travel and subsistence expenses incurred in attending Governing Council, Committee and other meetings in their official capacity.

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **9. Interest and other finance costs** | | | | |
| Loan interest | 2 | 2 | 5 | 5 |
| Pension scheme charge (note 30) | 221 | 221 | 226 | 226 |
| | **223** | **223** | **231** | **231** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **10. Analysis of total expenditure by activity** | | | | |
| Academic departments | 4,613 | 4,539 | 4,953 | 4,887 |
| Academic services | 2,861 | 2,861 | 2,344 | 2,344 |
| Research grants | 373 | 373 | 252 | 252 |
| Consultancy | 37 | - | 78 | - |
| Commercial services | 2,107 | 1,712 | 1,441 | 1,284 |
| Premises | 3,073 | 3,113 | 2,737 | 2,755 |
| Central administration | 3,644 | 3,663 | 3,970 | 3,996 |
| General education expenditure | 1,042 | 1,042 | 1,132 | 1,132 |
| Staff and student facilities | 495 | 378 | 615 | 503 |
| Others including general endowment expenditure | 1,009 | 1,005 | 1,020 | 1,019 |
| | **19,254** | **18,686** | **18,542** | **18,172** |

| | Consolidated £'000 | Consolidated £'000 |
|---|---|---|
| **Total expenditure includes:** | | |
| Amortisation of intangible fixed assets | 111 | 154 |
| Depreciation of tangible fixed assets | 885 | 850 |
| **Total amortisation and depreciation** | **996** | **1,004** |
| External auditors' remuneration – audit services including VAT | 60 | 57 |
| External auditors' remuneration – non-audit services | 1 | 1 |
| **Operating lease rentals:** | | |
| Land and buildings | 489 | 112 |
| Other | 103 | 91 |

# Notes to the Financial Statements for the year ended 31 July 2022

## 10. Analysis of total expenditure by activity (cont.)

| Access and Participation expenditure | Year ended 31 July 2022<br>Consolidated £'000 | Year ended 31 July 2021<br>Consolidated £'000 |
|---|---|---|
| **Total expenditure includes:** | | |
| Access support | 425 | 458 |
| Financial support | 152 | 163 |
| Supporting progression | 37 | 33 |
| Supporting success | 180 | 183 |
| Less OfS Access and Participation funding | (195) | (191) |
| **Total spend as per the Access return** | **599** | **646** |

Included in the above costs is an allocation of £315k (2021: £312k) of staff costs which are all included within reported staff costs.

The budgeted Access and Participation expenditure for the year was £592,000 (www.rau.ac.uk/royal-agricultural-university-access-agreements-and-access-and-participation-plans).

| | Software<br>Consolidated and University £'000 |
|---|---|
| **11. Intangible assets** | |
| **Cost or valuation** | |
| At 1 August 2021 | 1,222 |
| Additions | 169 |
| **At 31 July 2022** | **1,391** |
| **Accumulated amortisation** | |
| At 1 August 2021 | 990 |
| Charge for the year | 111 |
| **At 31 July 2022** | **1,101** |
| **Net book value** | |
| At 31 July 2021 | 232 |
| **At 31 July 2022** | **290** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | Freehold Land and Buildings | Fixtures, Fittings and Equipment | Total |
|---|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 | Consolidated and University £'000 |
| **12. Fixed assets** | | | |
| **Cost or valuation** | | | |
| At 1 August 2021 | 37,265 | 2,185 | 39,450 |
| Additions | 186 | 519 | 705 |
| Disposals | (58) | (89) | (147) |
| **At 31 July 2022** | **37,393** | **2,615** | **40,008** |
| Consisting of: | | | |
| Valuation as at 1 August 2014 | 31,676 | - | 31,676 |
| Cost | 5,717 | 2,615 | 8,332 |
| **At 31 July 2022** | **37,393** | **2,615** | **40,008** |
| **Accumulated depreciation** | | | |
| At 1 August 2021 | 4,866 | 1,754 | 6,620 |
| Charge for the year | 656 | 229 | 885 |
| Disposals | - | (63) | (63) |
| **At 31 July 2022** | **5,522** | **1,920** | **7,442** |
| **Net book value** | | | |
| At 31 July 2021 | 32,399 | 431 | 32,830 |
| **At 31 July 2022** | **31,871** | **695** | **32,566** |

The University recognised a £23,000 impairment of 8 Coates Lane in the year (2021: £Nil).

# Notes to the Financial Statements for the year ended 31 July 2022

| | At 31 July 2022 | At 31 July 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| **13. Heritage assets** | | |
| Heritage assets at valuation | **604** | 616 |

The latest independent valuation was performed in October 2020 by Forum Auctions and Dreweatts.
The £12,000 movement reflects books sold.

| | Subsidiary Companies | Investment in Stocks and Shares | Total |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **14. Investments** | | | |
| **Consolidated** | | | |
| At 1 August 2021 | - | 2,385 | 2,385 |
| Loss on investment | - | (127) | (127) |
| **At 31 July 2022** | **-** | **2,258** | **2,258** |

| | £'000 | £'000 | £'000 |
|---|---|---|---|
| **University** | | | |
| At 1 August 2021 | 2,550 | 2,385 | 4,935 |
| Loss on investment | - | (127) | (127) |
| **At 31 July 2022** | **2,550** | **2,258** | **4,808** |

The non-current investments have been valued at market value. The shares valuation was based on the closing price on the London Stock Exchange at 31 July 2022.

There were no movements in stocks and shares in the year to 31 July 2022 other than revaluation (2021: £nil).

# Notes to the Financial Statements for the year ended 31 July 2022

| | Year ended 31 July 2022 | | Year ended 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **15. Stock** | | | | |
| Farm stocks | 194 | 194 | 158 | 158 |
| Finished goods | 62 | 62 | 45 | 45 |
| General consumables | 33 | 12 | 35 | 12 |
| Land for development | 2,500 | - | 2,500 | - |
| | **2,789** | **268** | **2,738** | **215** |

On 6 October 2020, the Royal Agricultural University transferred investment property to its subsidiary company, Royal Agricultural College Limited. The land is being held by Royal Agricultural College Limited for development purposes and is therefore treated as trading stock. The development is being carried at the lower of cost and open market value.

Farm stocks include arable crops of £178,000 (2021: £145,000), vineyard crop £11,000 (2021: £8,000) and other farm stocks £5,000 (2021: £5,000).

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **16. Trade and other receivables** | | | | |
| Amounts falling due within one year: | | | | |
| Trade receivables | 460 | 273 | 257 | 201 |
| Prepayments and accrued income | 743 | 727 | 701 | 695 |
| Amounts due from subsidiaries | - | 476 | - | 238 |
| | **1,203** | **1,476** | **958** | **1,134** |

| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
|---|---|---|---|---|
| **17. Creditors: amounts falling due within one year** | | | | |
| Secured loans | - | - | 76 | 76 |
| Trade payables | 411 | 407 | 483 | 482 |
| Social security and other taxation payable | 288 | 288 | 285 | 285 |
| Accruals and deferred income | 2,437 | 2,393 | 2,241 | 2,209 |
| | **3,136** | **3,088** | **3,085** | **3,052** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | At 31 July 2022 | At 31 July 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| **18. Creditors: amounts falling due after more than one year** | | |
| Secured loans | - | 98 |
| | **-** | **98** |
| **Analysis of secured loans:** | | |
| **Due within one year or on demand (note 17)** | **-** | **76** |
| Due between one and two years | - | 98 |
| **Due after more than one year** | **-** | **98** |
| **Total secured loans** | **-** | **174** |

| | Defined Benefit Pensions | Leasehold Dilapidations | Total Provisions |
|---|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 | Consolidated and University £'000 |
| **19. Provisions for liabilities** | | | |
| At 1 August 2021 | 14,709 | 74 | 14,783 |
| (Decrease)/increase in provisions | (7,281) | 4 | (7,277) |
| **At 31 July 2022** | **7,428** | **78** | **7,506** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | Endowment Year ended 31 July 2022 | Endowment Year ended 31 July 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| **20. Endowment reserves** | | |
| Restricted net assets relating to endowments are as follows: | | |
| Capital | 2,479 | 1,984 |
| | **2,479** | **1,984** |
| Expenditure | (48) | - |
| Revaluation | (70) | 495 |
| **Total endowment comprehensive (expense)/income** | **(118)** | **495** |
| **At 31 July** | **2,361** | **2,479** |
| Represented by: | | |
| Capital | 2,361 | 2,479 |
| **At 31 July** | **2,361** | **2,479** |
| Analysis by type of purpose: | | |
| Scholarships and bursaries | 2,361 | 2,479 |
| Analysis by asset: | | |
| Marketable securities | 2,361 | 2,479 |

| | Year ended 31 July 2022 | Year ended 31 July 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| **21. Restricted reserves** | | |
| Reserves with restrictions are as follows: | | |
| At 1 August | – | – |
| New donations | 179 | 184 |
| Restricted income | 179 | 184 |
| Approved expenditure | (179) | (184) |
| **Total restricted comprehensive income/(expenditure) for the year** | **–** | **–** |
| Transfer to income reserves as funds not restricted | – | – |
| **At 31 July** | **–** | **–** |

# Notes to the Financial Statements for the year ended 31 July 2022

| | At 31 July 2022 | | At 31 July 2021 | |
|---|---|---|---|---|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| **22. Share Capital** | | | | |
| Alloted, called up and fully paid | | | | |
| 120 (2021 120) ordinary shares of £10 each | **1** | **1** | **1** | **1** |

The ordinary shares each carry one voting right.

| | At 1 August 2021 | Cash flows | At 31 July 2022 |
|---|---|---|---|
| | Consolidated £'000 | Consolidated £'000 | Consolidated £'000 |
| **23. Analysis of changes in net debt** | | | |
| Included in current assets: cash and cash equivalents | 3,266 | (346) | 2,920 |
| Included in Creditors: amounts falling due in one year Bank overdraft (note 17) | - | - | - |
| Cash and cash equivalents | 3,266 | (346) | 2,920 |
| Loans due in one year | (76) | 76 | - |
| Loans due after one year | (98) | 98 | - |
| | **3,092** | **(172)** | **2,920** |

Cash and cash equivalents includes the bank account balances of endowment restricted reserves of £208,000 (2021: £256,000).

| | At 31 July 2022 | At 31 July 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| **24. Capital commitments** | | |
| Provision has not been made for the following capital commitments: | | |
| commitments contracted | **-** | **-** |

# Notes to the Financial Statements for the year ended 31 July 2022

## 25. Contingent liabilities

Pursuant to the University's existing planning consent for development land, it entered into a Section 106 planning agreement whereby, should the site be developed, it would incur financial commitments up to £1,522,000 (2021: £1,522,000).

| | | | At 31 July 2022 | At 31 July 2021 |
|---|---|---|---|---|
| | Land and Buildings | Plant and Machinery | Total | Total |
| Consolidated and University | £'000 | £'000 | £'000 | £'000 |
| **26. Lease obligations** | | | | |
| Payable during the year | 489 | 103 | 592 | 203 |
| **Future minimum lease payments due:** | | | | |
| Not later than 1 year | 437 | 69 | 506 | 204 |
| Later than 1 year and not later than 5 years | 656 | 77 | 733 | 432 |
| Later than 5 years | 41 | - | 41 | 76 |
| **Total lease payments due** | **1,134** | **146** | **1,280** | **712** |

## 27. Events after the reporting year

There are no reportable events after the year end.

## 28. Subsidiary undertakings

The subsidiary companies (both of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

| Company | Principal Activity | Ownership |
|---|---|---|
| Royal Agricultural University Enterprises Limited (Company No. 02752048) | Residential conference facilities, consultancy and retail | 100% |
| Royal Agricultural College Limited (Company No. 08542114) | Property development | 100% |

Both subsidiaries' registered addresses are Royal Agricultural University, Stroud Road, Cirencester, Gloucestershire, GL7 6JS.

## 29. Trade Union Facility Time

Trade Union Facility Time is the provision of paid and unpaid time off from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative. We publish this data under the Trade Union (Facility Time Publication Requirements) Regulations 2017. Note the data is for the year ended 31 March 2022.

There was one full time employee (2021: 1) who was a relevant union official for the University during the year.

The employee spent facility time within the 1% to 50% category (0%, 51% to 99% and 100% all zero), the same as 2021.

The notional cost of facility time was £5,766 (2021 £5,835) and, with a total pay bill of £9,784,000 (2021: £10,292,000), the percentage of this spent on facility time was 0.06% (2021: 0.06%) and the total paid facility time on activities was 0%.

# Notes to the Financial Statements for the year ended 31 July 2022

## 30. Pensions

The University operates the following pension schemes:

**Royal Agricultural College Pension Scheme (RACPS)**

RACPS is a defined benefits scheme, under which contributions were paid by the University and employees before its closure. Until April 2003 benefits were based on final salary: from April 2003 until closure benefits were calculated on a Career Average Revalued basis. The assets of the fund are independent from those of the University and are administered by Trustees. Pension costs are assessed on the advice of an independent actuary on the basis of valuations using the projected unit method. The scheme closed to future accrual on 30 September 2010; staff affected were provided with alternative pension provision effective 1 October 2010. The new arrangements were variously with the Teachers' Pension Scheme (TPS) and a defined contribution Group Personal Pension scheme with Aegon.

Notwithstanding the closure to future accrual the University continues to service the deficit recovery plan at the rate agreed with the Trustees.

At the April 2021 triennial actuarial valuation the following deficit recovery plan was agreed:

- For the month August 2021, a payment of £57,417, and for the months September 2021 through May 2022 (inclusive), £Nil;
- Contributions of £25,000 per month (equivalent to £300,000 per annum in equal monthly instalments) from 1 June 2022 to 31 March 2024;
- Contributions of £500,000 per annum in equal monthly instalments from 1 April 2024 to 31 March 2025;
- Contributions of £550,000 per annum in equal monthly instalments from 1 April 2025 to 31 March 2026;
- Contributions of £689,000 per annum in equal monthly instalments from 1 April 2026 to 31 August 2040, increasing on 1 April 2027 and on each subsequent 1 April thereafter by the annual increase in the retail price index to the previous 30 September.

In addition to the above, the University has committed to potential enhancements to these contributions, dependent upon University adjusted revenue and subject to certain caps.

**Federated Superannuation Scheme for Universities (FSSU)**

The pensions of two former employees are funded by a separate defined benefit scheme and the University supplements the pensions in payment through "top-ups" to the pensioners. FSSU is accounted for as a defined benefit scheme and its present value of scheme liabilities is consolidated for disclosure purposes within the RACPS liabilities. It has no assets.

**Teachers' Pension Scheme (TPS)**

The Teachers' Pension Scheme 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). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and 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.

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 on the Account is invested in notional investments that produce that real rate of return. 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 on the Teachers' Pension Scheme website.

# Notes to the Financial Statements for the year ended 31 July 2022

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

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS. A final remedy will be determined once the results of the consultation are established.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. The DfE is currently working to establish what changes are necessary to address this discrimination.

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.

**Defined contribution schemes (Group Personal Pension)**

The Aegon Scheme was set up September 2010 for those support staff who were former members of RACPS.

The University contribution to Aegon is 10% of salary. Members pay a variable contribution of not less than 4%. The University opened a new pension scheme with Friends Life for support staff future service on 1 January 2014. This scheme comes under the umbrella of the Higher Education Defined Contribution scheme (HEDCS); it is portable between member universities. All active support staff who were in the Prudential Scheme, which it replaced, became deferred members of the Prudential Scheme and joined Friends Life for future service. In 2017 Friends Life became part of and transferred all its policies to Aviva. The Aviva Scheme has three distinct strands of membership

U Scheme - salaried staff pay variable contributions of not less than 6.5% and RAU contributes 16%.

X Scheme - tier 1 compliant auto-enrolment scheme with contributions in line with current legislation, being 5% employee and 3% employer.

Y Scheme - salaried staff pay variable contributions of not less than 6.5% and RAU contributes 6.5%.

The assets of all the defined contribution schemes are held separately from the University by the scheme providers, Aegon, Prudential and Aviva.

The basic employers' contribution rates during the year were as follows:

| | TPS | Aegon | Aviva U | Aviva X | Aviva Y |
|---|---|---|---|---|---|
| 1 Aug 2021 - 31 Jul 2022 | 23.68% | 10.00% | 16.00% | 3.00% | 6.50% |

The assumptions and other data relevant to the determination of the contribution levels of the defined benefit schemes in which the University participates (or participated) are as follows:

| Pension scheme | RACPS | TPS |
|---|---|---|
| Last actuarial valuation | 2021 | 2016 |
| Investment returns per annum | 4.1% | n/a |
| Market value of assets at last valuation date (RACPS £millions/TPS £billions) | 20.9 | 196 |
| Funding % of accrued benefits covered by the actuarial value of assets | 64% | 90% |

# Notes to the Financial Statements for the year ended 31 July 2022

## 30. Pensions (cont.)

**Charge within Note 8 Staff Costs included in the Statement of Comprehensive Income**

The charge for pensions, adjusted for FRS102 Section 28 where applicable, is as follows:

| | | 2022 | 2021 |
|---|---|---|---|
| | | £'000 | £'000 |
| Defined benefit schemes: | TPS | 609 | 651 |
| | | 609 | 651 |
| Defined contribution schemes: | GPP: Aegon | 20 | 22 |
| | GPP: Friends Life | 181 | 199 |
| | | 201 | 221 |
| **Total Pensions Cost as Note 8 Staff Costs** | | **810** | **872** |

| | | £'000 | £'000 |
|---|---|---|---|
| **Analysed as:** | **Current service** | **810** | **872** |

The cash contributions paid by the employer to the RACPS in respect of past service deficit is £107,000 (2021: £689,000). No amounts were charged to Staff Costs in the Statement of Comprehensive Income in respect of the RACPS defined benefit scheme.

The pensions charge in the financial statements represents contributions made by the University to the defined benefit and defined contribution scheme providers on behalf of its employees. As at 31 July 2022 £48,000 contributions were due to the TPS (2021: £51,000), £2,000 to Aegon (2021: £2,000) and £17,000 to Aviva (2021: £15,000). These sums, relating to July 2022 payroll, were paid in August 2022.

**Reconciliation to Balance Sheet (RACPS and FSSU)**

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Fair value of Scheme assets | 21,252 | 21,390 |
| Present value of Scheme liabilities | (28,680) | (36,099) |
| **Total pension deficit** | **(7,428)** | **(14,709)** |

# Notes to the Financial Statements for the year ended 31 July 2022

## 30. Pensions (cont.)

**Scheme deficits**

The deficit in the balance sheet in respect of defined benefit schemes is shown below. The FSSU scheme is unfunded and its deficit amount is based on a valuation in accordance with FRS102 at 31 July 2022.

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| RACPS | (7,399) | (14,676) |
| FSSU supplemental scheme | (29) | (33) |
| **Total deficits** | **(7,428)** | **(14,709)** |

The table below provides a reconciliation of the fair value of scheme assets. Assets are held by RACPS only; the FSSU has no assets that the University can include in this statement..

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| **At the beginning of the year** | **21,390** | **20,439** |
| Contributions by University | 107 | 689 |
| Benefits paid | (1,048) | (1,293) |
| Expected return on assets | 313 | 274 |
| Actuarial gains | 490 | 1,281 |
| **At the end of the year** | **21,252** | **21,390** |

The table below reconciles the present value of scheme liabilities for both RACPS and FSSU.

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| **At the beginning of the year** | **(36,099)** | **(37,184)** |
| Interest cost | (533) | (500) |
| Past service cost | - | (35) |
| Benefits paid | 1,057 | 1,302 |
| Actuarial gains | 6,895 | 318 |
| **At the end of the year** | **(28,680)** | **(36,099)** |

# Notes to the Financial Statements for the year ended 31 July 2022

## 30. Pensions (cont.)

**Principal assumptions made by the actuary in the valuation for the purpose of FRS102 Section 28:**

| | | 2022 | 2021 |
|---|---|---|---|
| Discount rate | | 3.19% | 1.50% |
| Rate of inflation (RPI) | | 3.33% | 3.29% |
| Rate of inflation (CPI) | Pre 2030 | 2.63% | 2.79% |
| | Post 2030 | 3.33% | 3.09% |
| Pension increases | Pre 97 pension | 3.00% | 3.00% |
| | 97-03 pension (RPI max 5% min 3%) | 3.66% | 3.65% |
| | 03-05 pension (RPI max 5%) | 3.24% | 3.21% |
| | Post 05 pension (RPI max 2.5%) | 2.25% | 2.24% |
| Demographic assumptions | Mortality base table | S3PxA | S3PxA |
| | Projection basis | 101%(m)/103%(f) | 100% |
| | | CMI 2021 1.00% | CMI 2020 1.00% |
| | Cash commutation | 50% of maximum | 50% of maximum |

A rate of cash commutation of 50% is shown in these figures, based on Scheme actual experience (50%) plus flexibility offered to members by the Pensions Act 2004 (25% HMRC tax free limit).

**Life Expectancy at age 65**

| | 2022 | 2021 |
|---|---|---|
| Male currently 45 | 87.70 | 87.70 |
| Female currently 45 | 90.10 | 90.20 |
| Male currently 65 | 86.70 | 86.70 |
| Female currently 65 | 88.90 | 89.10 |

**The assets and value of the RACPS scheme at 31 July and the expected rate of return were:**

| | 2022 | 2021 |
|---|---|---|
| | Consolidated and University £'000 | Consolidated and University £'000 |
| Equity Funds | - | 3,191 |
| Property | 3,636 | 3,110 |
| Diversified Growth Funds | 6,620 | 8,520 |
| Credit Funds | 2,632 | 3,045 |
| Infrastructure funds | 3,015 | 3,058 |
| LDI | 4,792 | - |
| Annuities | 164 | 187 |
| Cash and liquid funds | 393 | 279 |
| **Total market value** | **21,252** | **21,390** |

# Notes to the Financial Statements for the year ended 31 July 2022

## 30. Pensions (cont.)

The discretionary FSSU supplementation scheme holds no assets and its deficit has been based on an actuarial valuation at 31 July 2022. The assumptions having the most significant effect on the calculation of the provision are that future inflationary increases will average 3.33% RPI (2021: 3.29%) per annum.

**The table below analyses the movement in deficit (for RACPS and FSSU) during the year:**

| | 2022 | 2021 |
|---|---|---|
| | £'000 | £'000 |
| Deficit in schemes at start of year | (14,709) | (16,745) |
| Contributions | 117 | 698 |
| Other finance costs interest charge applied (note 9) | (221) | (226) |
| Past service cost | - | (35) |
| Actuarial gain in the statement of changes in reserves | 7,385 | 1,599 |
| **Deficit in schemes at end of year** | **(7,428)** | **(14,709)** |

The University has pledged properties to the value of £1,157,600 against the pensions deficit by deed dated 24 March 2017. These charges have been lodged with the Land Registry and Companies House.

**An analysis of the amount charged to other finance costs is shown in the following table:**

| | £'000 | £'000 |
|---|---|---|
| Expected return on RACPS assets | 313 | 274 |
| Interest on liabilities | (533) | (500) |
| **Net interest charge applied** | **(220)** | **(226)** |

**An analysis of amounts recognised in the statement of changes in reserves is given below:**

| | £'000 | £'000 |
|---|---|---|
| Actual less expected return on RACPS assets | 490 | 1,281 |
| Experience gains arising on liabilities | 6,895 | 318 |
| **Actual gain recognised in statement of changes in reserves** | **7,385** | **1,599** |

# Notes to the Financial Statements for the year ended 31 July 2022

## 31. Accounting estimates and judgements

The main accounting estimates and judgements relate to tangible assets (land and buildings), heritage assets and the pension liability.

**Land and buildings**

As part of the transition from UK GAAP to FRS102 as the basis for the consolidated financial statements, the University updated the values of its land and buildings to market value, using this as deemed cost going forward, updating estimates of remaining useful lives for the buildings obtained from the qualified valuers. These remaining useful lives have then been used to calculate depreciation on each of the buildings. The total charge for depreciation on the University's portfolio of properties in these financial statements amounts to £656,000 (2021: £650,000).

As a result a significant proportion of the estimated lives would need to be incorrect before any adjustment to estimated useful lives would give rise to a material adjustment to the depreciation charge in the Financial Statements.

Similarly, the University has to make a judgement on the fair value of its assets and whether any properties are impaired. The University recognised a £23,000 impairment of 8 Coates Lane in the year (2021: £Nil).

The University's properties are of significant value and it would take a significant overall reduction in property market values to affect the whole estate sufficiently to make a material difference.

**Heritage assets**

The University uses a professional valuer of heritage assets with revaluation every ten years. The latest independent valuation was performed in October 2020.

**Pension liability**

The University uses qualified actuaries to revalue the pension liabilities each year who utilise prescribed bases and the actuaries' best estimate in relation to specific subjective factors. The University has reviewed the actuaries' assumptions and agrees with the estimates and judgements made. These are all set out in note 30 Pensions.

## 32. Students' Union

The Students' Union activities are carried out through an independent Company Limited by Guarantee with registered charity status. As a result its financial statements are not included in the consolidated figures.

# Notes to the Financial Statements for the year ended 31 July 2022

## 33. Related party transactions

**(a) Exemption**

The University has taken advantage of the exemption permitted by FRS102 Section 33 (Related Party Disclosures), available to group undertakings where 100% of the voting rights are controlled within the group and where consolidated financial statements are publicly available, not to disclose transactions with other group companies within these Financial Statements.

**(b) Pension scheme and Life Cover Trust**

The Royal Agricultural College Pension Scheme and Life Cover Trust are related parties by definition. The amount owed by Royal Agricultural University Limited to the pension scheme at the year end 31 July 2022 was £Nil (2021: £Nil). The amount owed by Royal Agricultural University to the Life Cover Trust at the year end was £Nil (2021: £Nil).

**(c) Transactions with organisations related to directors**

Due to the nature of the University's operations and the composition of Governing Council, being drawn from local and national public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement practices.

The University maintains a Register of Interests for all members of Council. The register is open to inspection under the Freedom of Information Act 2000 and the Governors' Register of Interests is published on the University website.

**(d) Transactions with organisations related to University Senior Management**

All transactions involving organisations in which a member of the University Senior Management Group may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement practices.

The University maintains a Register of Interests of its Senior Management Group. The register is open to inspection under the Freedom of Information Act 2000.

**(e) Farming operations**

The University has an Arable Contract Farming agreement for certain of its farming operations, organised by Moore Allen & Innocent LLP for a crop harvest contract with Kemble Farms. Kemble Farms is owned by a Trust linked to the University's Vice-President, Earl Bathurst.

**(f) The Royal Agricultural College Beagles**

The RAC Beagles are set up as an independent trust; no Governor or member of the University Senior Management is an officer or committee member. Volunteer students are involved in the care and management of the pack.

The University made a donation of £2,000 (2021: £6,000). Normal business sales to the RAC Beagles amounted to £12,000 (2021: £17,000). There were no business purchases from the RAC Beagles in either year.

**(g) The Royal Agricultural University Students' Union**

During the year the University made a grant to the Students' Union of £192,000 (2021: £185,000) and supplied goods and services to the Students' Union to the value of £43,000 (2021: £Nil). There were no business purchases from the RAU Students' Union in either of the two years.

**(h) Related charities**

The University is linked to the following charities:

The African Fellowship Trust (AFT), registered charity number 1120786, was set up in 2007 to permit African students to advance their education in sustainable development and protection of the environment by studying for a masters programme at the University. The Fellows are fully funded by the AFT. For 2022, the University received no tuition and accommodation income (2021: £Nil).

The Sir Emrys Jones Memorial Trust, registered charity 1105861, was set up in 2004 in memory of Sir Emrys Jones, Principal of the University from 1974 to 1979, to provide financial assistance by way of fees or maintenance grants to students from Wales (whether by origin or residence) who are in need of financial assistance to attend the University. Without it being binding, the Trustees recognise the benefactor's wish that priority should be given to students reading agriculture or related subjects. The University received no tuition or accommodation income in 2022 (2021: £Nil).

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