

Annual Report and Financial Statements 2022-23



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Vice-Chancellor's Introduction



Professor Peter McCaffery, Vice-Chancellor

“Practice with science” was the mantra of our founders in 1845. As Roger Sayce put it in *The History of the Royal Agricultural College*, that, and a curriculum that engaged “the hand, the heart and the mind” while nurturing “a fierce independence”, fostered the “famous College spirit”.

I am delighted to report that all these founding traits are flourishing in today's RAU as we celebrate our tenth anniversary as a university.

The student experience and student outcomes we provide our students have just been assessed as ‘typically very high quality’ with ‘outstanding features’ in this year's national Teaching Excellence Framework (TEF) organised by the Office for Students (OfS) where we achieved a Silver rating.

We were also awarded £5.8m – the maximum available – by the OfS in its first capital funding competition to develop a new Land Laboratory Centre which will provide an integrated, state-of-the-art, facility to train our students in climate-smart, resilient agriculture and land management.

Last year we emerged as the leading specialist university in England for research in the latest round of the national Research Excellence Framework (REF) exercise when over half of the research we produce was assessed as ‘world-leading and international in quality’. This year, the Knowledge

Exchange Framework (KEF) highlighted our strengths in continuous professional development and graduate start-ups amongst others. Nationally, we were ranked second among the specialist universities in the science, technology, engineering and mathematics (STEM) subject cluster.

Feedback from our students also led us to be short-listed in two categories – the Small or Specialist University Award and the special Submission Award (for supporting students during the cost-of-living crisis) – in this year's national Whatuni Student Choice Awards, the largest exclusively student-voted awards in the UK.

We have also been re-accredited as a centre of national excellence by the Institute of Enterprise and Entrepreneurship – the only small and specialist university in the UK to be so. Farm491 was recognised nationally – through Guild HE – as a case study of high impact in agri-food and agri-technology and (along with the Growth Hub) also won the Professional Services Provider of the year award at the Cirencester Business Awards 2023, while the new sustainable packaging for our award-winning Cotswold Hills wine scooped the Innovation Award. Indeed, our vineyard is 'a little gem', as the Hairy Bikers put it in their BBC broadcast in January.

We became one of the first employers in Gloucestershire to receive an Inclusivity Works' Inclusive Employers Award and are now also registered as a 'Disability Confident' committed employer.

Our colleagues also made their mark – Dr Patricia Mathabe won Silver and Bronze in the Education and Agriculture categories respectively at the global Women Changing the World Awards, 2023. While Professor David Main and Associate Professor David O'Connor were recognised in the 2022 Stanford University list of the top 2% of influential scientists in the world. Professor Tom MacMillan was also pivotal in the development of the collaborative research strategy for the sixteen universities that make up the Agricultural Universities Council UK. Launched at RAU Swindon in May, this is the first time that agricultural research providers have joined up on this scale to identify research priorities for the sector and ways to boost the practical impact and public value of agricultural research while, critically, avoiding duplication.

To be a great university, we recognise that you also have to be a great local university and we were delighted to launch the Innovation Village with our partners – Cotswold District Council, Gloucestershire County Council, GFirst Local Enterprise Partnership and the Department for International Trade – in January; a £100m+ project that will support industry, food producers, farmers and landowners in developing sustainable solutions to food production while building resilience in rural communities.



We are on track to apply for outline planning permission next Spring. Centred on agriculture, food, and land management our Innovation Village @ RAU will be a first for the UK.

Building on our tradition of developing education and land management across the globe – and as food supplies have been weaponised as an instrument of war in Eastern Europe – we were selected to co-found – with the Uzbekistan Ministry of Agriculture – the new International Agriculture University which we opened in September 2022 with the aim of establishing a centre of excellence for sustainability in central Asia.

Likewise, working in collaboration with the University of Bristol, we have established a new partnership with Sharjah, in the United Arab Emirates, to deliver complementary programmes in Agricultural Sciences and Veterinary Medicine that will help create more sustainable crop and livestock systems, while building critical agricultural and veterinary capacity, in their government's quest to produce the world's finest wheat.



In China, we are one of only five 'highly trusted' UK universities recognised by the Chinese Ministry of Education, and our provision continues to flourish at Shandong and Qingdao Agricultural Universities with ambitious planned growth in postgraduate study.

Our twinning initiative with Sumy National Agrarian University in Ukraine is now a role model for others in providing humanitarian, teaching, and research collaboration and support for 'academics at risk' worldwide.

The wider higher education environment continues to be characterised by uncertainty – the Quality Assurance Agency withdrew its consent to be the Designated Quality Body for the OfS. In April, the maximum tuition fee for undergraduate courses remains frozen at £9,250 a year up to and including 2024-25, and maybe beyond, with the further reduction in income in real terms that that entails.

Be that as it may, our strategy is unambiguous – it is clear and focused. It rests on three pillars: Quality, Sustainability, and Reach. Taking the cue from our historic mission, we aim to be the very best in all that we do at a local level, national level, and global level and to be so in a sustainable way. As a university on which 'the sun never sets' we aim to be the country's leading – indeed the UK's global – university for sustainable farming and land management. As ever, we will continue to be as socially relevant today as we have been in the past.

Professor Peter McCaffery,
Vice-Chancellor



Message from the Chair of Governing Council



Dame Fiona Reynolds,
Chair of Governing Council

Photo credit: Marcus Ginns

If ever there was a time for leadership in the future of food, farming, and land use, it is now. We are in the midst of a series of global upheavals, from the war in Ukraine to the climate and nature crises, while in the UK the rising cost of living, a big shift in public support for farming, intense and growing pressures on land use, and concerns about the health of the food we eat, combine to create a perfect storm.

The next generation of farmers, land managers, and food producers and processors will need to be resourceful, resilient and creative. Not only will they need to understand land, the environment, business, and technology, they will need to lead us towards a more sustainable future.

At the RAU we have a huge opportunity to offer solutions to these challenges, and every step we take is evidence of our determination to deliver benefits for the wider world as well as providing our students and staff with the best possible opportunities to succeed.

We finalised our new strategy this year, founded on the three interconnected ambitions of Quality, Reach, and Sustainability, and are now working towards stretching targets across the breadth of our work. This has involved root and branch

analysis, re-thinking and prioritisation. It's been invigorating to bring our teams together around a clear and ambitious agenda for the future.

With the University strategy clear, we have set in motion a new programme for Farming and Food which embraces everything from what and how we teach to 'growing our own'. Our increasingly acclaimed vineyard is an excellent example of the latter and we are keen to do more.

We have overhauled and re-prioritised our commercial activities and spent considerable time this year conducting a thorough review of our estate, with a view to making all our operations much more sustainable. As part of this we were delighted to be awarded £5.8m from the OfS for the installation of new, state-of-the-art, laboratories. Our old ones were fast approaching museum status so we are thrilled that we will now be able to offer the very best practical and experimental teaching in our new Land Labs.

We have made excellent progress with our plans for the Innovation Village, which will trigger a transformation of our campus and bring new partnerships in the form of research collaborations, business development and more engagement with local people.

Our research community continues to develop, and our undergraduates to flourish. Our international community is thriving and expanding, as we focus on our role as the UK's only international agricultural university.

We are helped enormously by our lively and engaged Governors, and I thank them all warmly for their input. Special thanks go to Megan Stacey (President of the Students' Union) who made a huge contribution to our meetings this year, the first since Covid in which a full face-to-face experience was possible.

My final thanks are to the staff, led by Vice-Chancellor Peter McCaffery. This has been a busy and productive year, and we could not have achieved anything without them. There are challenges aplenty, but we are clear about where we want to get to, and how we will achieve our ambitions. We look forward to working together towards a better future.



Dame Fiona Reynolds,
Chair of Governing Council





Key Facts



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)



We were ranked in the top 10 universities in the UK for the best student experience, and as the highest-ranking university in Gloucestershire, in the Sunday Times Good University Guide



We moved up 22 places in the Complete University Guide 2024. Of the 130 universities listed, the RAU was joint third in achieving the highest change in rank position coming in at number 73



We ranked in the top ten at the Whatuni Student Choice Awards in 2023 in the Small or Specialist category and were also shortlisted for a special Whatuni Student Choice Award linked to Cost of Living support provided to our students



We were awarded Silver in the latest Teaching Excellence Framework (TEF) ratings, a national scheme run by the Office for Students (OfS)



The RAU has been re-approved as a Centre of Excellence for Enterprise Education by the IOEE (Institute of Enterprise and Entrepreneurs) for a further three years. As the only small and specialist University in the UK to have been granted the IOEE's Centre of Excellence status, it highlights the emphasis we place on entrepreneurship and innovation, vital skills required for the future workforce



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 2022 and 2023, two students were shortlisted in the South West Women in Property Student Awards



THE BATHURST ESTATE

The RAU has an innovative partnership with 15,000-acre Bathurst Estate for teaching, learning, and knowledge exchange



Senior Lecturer Dr Patricia Mathabe was recognised in both the agriculture and education categories of the Women Changing the World global awards



Dr David O'Connor and Pro Vice-Chancellor (Academic Planning and Resources) Professor David Main were included in Stanford University list of the top 2% of scientists in the world



The RAU's degree completion rate is among the highest in the UK at 92.3%.

(Complete University League Rankings 2023)



The RAU's Farm491 is one of the leading agritech incubation and innovation spaces in the UK



The RAU has a 17,000 strong alumni network with international reach and influence






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

Plus more than 2,100 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.

REF2021 Research
Excellence
Framework

Our History

	1845 Queen Victoria granted the Royal Charter to the RAC	 1982 The Prince of Wales, now 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.

The Prince of Wales, now 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 our foundation until 2001 when we 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.

2013


Privy Council awarded the College full University status

2020
175
YEARS

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

2022

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

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 2021)

2023

Launched our £100 million Innovation Village concept at the Cirencester campus

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.

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 to be its founding partner in establishing the new International Agriculture University in Tashkent. Working with the

Uzbekistan Government we established 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). We were ranked the top university in the UK for being a Learning Community, 4th in England for overall student satisfaction and top ten for academic support and course organisation and management.

In 2023, the RAU launched its £100 million Innovation Village concept on a 29-acre site at our Cirencester campus. This concept is central to our vision and aims to support industry, food producers, farmers, and landowners in developing sustainable solutions for healthy land and nature, food production, and resilience in rural communities.



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 – 2022-23 in focus

2022

August 2022

- » The 10th European Workshop on Equine Nutrition (EWEN) takes place at the RAU. EWEN, which was started by Professor Veronique Julliand and was first held in Dijon in France in 2002, is a bi-annual meeting for experts to share equine nutrition research. While it is a European event, it attracts delegates from all over the world.

September 2022

- » We mourn the passing of our patron Her Late Majesty Queen Elizabeth II on campus and open a Book of Condolence in the RAU Chapel.
- » The RAU is ranked in the top 10 universities in the UK for the best student experience, and the highest-ranking university in Gloucestershire, in the 2022 Sunday Times Good University Guide. We are named the best university in Gloucestershire and in the top eight of universities in the South West.
- » Professor David Main is appointed as the new Pro Vice-Chancellor (Academic Planning & Resources). Previously the RAU's Professor of Production Animal Health and Welfare, David is a veterinary surgeon and worked at Bristol Veterinary School before joining the RAU in 2018. His role, a new position, includes responsibility for leading on both UK and international partnerships.

October 2022

- » Uzbekistan's new International Agriculture University, a partnership with the RAU, officially opens in the nation's capital Tashkent. Uzbekistan's Deputy Prime Minister Jamshid Khodjaev and Professor McCaffery officially open a new building which is named The Queen Elizabeth II Building in honour of Her Late Majesty Queen Elizabeth II who was the Patron of the RAU.
- » During Black History Month, RAU Governor Wilfred Emmanuel-Jones MBE, The Black Farmer, delivers the University's annual Bledisloe Lecture speaking about his own life story as well as his work to increase diversity in the UK's food and farming sectors.



November 2022

- » The RAU's agri-tech incubator Farm491 joins key organisations throughout the county to form The Gloucestershire Agri-Tech Partnership, a new collaborative group to promote growth and innovation in the agri-tech sector.
- » Senior Lecturer in Sustainable Land Management Dr David O'Connor and Pro Vice-Chancellor (Academic Planning and Resources) Professor David Main are recognised in this year's Stanford University list of the top 2% of influential scientists in the world.
- » Dr O'Connor is additionally named as a Highly Cited Researcher in Clarivate's 2022 listings of the world's most influential researchers who have demonstrated significant and broad influence reflected in their publication of multiple highly cited papers over the last decade. Of the world's population of scientists and social scientists, Highly Cited Researchers are 1 in 1,000.
- » The RAU is re-approved as a Centre of Excellence for Enterprise Education by the IOEE (Institute of Enterprise and Entrepreneurs) for a further three years. As the only small and specialist University in the UK to have been granted the IOEE's Centre of Excellence status, it highlights the emphasis the RAU places on entrepreneurship and innovation, vital skills required for the future workforce.

December 2022

- » The University once again performs strongly in the Knowledge Exchange Framework (KEF) with results highlighting the University's strengths in Continuing Professional Development and Graduate start-ups amongst others. The RAU is ranked second out of the nine institutions in its cluster.
- » A new Land Laboratory Teaching Centre, which will provide an integrated, state-of-art, facility to train students in climate-smart, resilient agriculture and land management, wins £5.8m of funding from the Office for Students (OfS). Planned to open by 2025, it will house the latest equipment and technologies across a combined wet lab and IT-enabled learning environment covering a broad range of disciplines and skills.



2023

January 2023

- » The RAU's concept for a sustainable, carbon neutral, Innovation Village on a 29-acre site at the Cirencester campus is unveiled. The proposed £100m development, which is central to the RAU's vision, will be home to a community of entrepreneurs, policymakers, practitioners, and researchers committed to addressing the major global challenges we all face, and aims to support industry, food producers, farmers, and landowners in developing sustainable solutions for healthy land and nature, food production, and resilience in rural communities.



February 2023

- » An innovative, 100% recycled plastic, flat wine bottle being trialled by Cotswold Hills, our award-winning wine and social enterprise, scoops bronze in the Wine Design and Packaging category at the Global Wine Masters awards.

March 2023

- » Kate Drury, a PhD student from the RAU who has made sustainable rope from British wool, is named as one of just 50 winners of a coveted Women in Innovation award, announced to coincide with International Women's Day. She received a £50,000 grant, as well as one-to-one business coaching, and a suite of networking and training opportunities to help her to grow her fledgling business.
- » Applied Farm Management student Charlie Rogers who "has wanted to be a farmer all my life" is awarded the prestigious 2023 John Innes Foundation Bursary, aimed at encouraging young people from a non-farming background into the industry.

April 2023

- » Two new and exciting fully accessible Masters degree courses, offering students the chance to study either full or part-time as well as the possibility of attending lectures in person or online, are announced at RAU Swindon. The courses – MSc Archaeology and MSc Cultural Heritage Management – will join the MSc in Conservation and Management of Historic Buildings, which is already offered at the University's Swindon campus, this autumn.
- » RAU lecturer Dr Patricia Mathabe wins two awards at the 2023 Women Changing the World awards. South African Patricia, who joined the RAU as a lecturer in Agricultural Technology last November, wins bronze in the Agriculture category and silver in the Women in Education category of the prestigious global awards.

May 2023

- » Vice-Chancellor Professor Peter McCaffery, and the Vice-Chancellor of the University of Bristol, travel to the Emirate of Sharjah in the United Arab Emirates to sign an agreement with the University of Al Dhaid to deliver new education and research programmes in sustainable agriculture and veterinary medicine.
- » Kaleb Cooper, the farming contractor who shot to fame overnight when he appeared on Prime Video's Clarkson's Farm, launches a new RAU bursary for those looking to launch a career in agriculture. The annual £3,000 bursary, open to RAU undergraduate students living in the UK, will open for applications in September with the first student receiving their award in early 2024.
- » Tree planting, trade deals, imports, and farming policy are among the topics debated at Farmers Weekly Question Time at the RAU. Attended by more than 100 guests, including many students and staff, the panel included Professor Tom MacMillan, Elizabeth Creak Chair in Rural Policy and Strategy at the RAU, as well as CLA President and Royal Agricultural College alumnus Mark Tufnell.
- » An innovative and sustainable project which will help wild swimmers and cold-water dippers to access cold water safely is named as this year's Grand Idea in the 16th year of the competition which invites RAU students to pitch their business ideas to a panel of experts in a Dragon's Den-style event. Set up by 25-year-old RAU student Chris Baker, Water Mate™ will offer a range of durable, effective and sustainably produced products, built from organic materials and recycled ocean plastic, to help keep wild swimmers safe.
- » The May Ball theme is Ciren Royale and it is great to see our students having a well-deserved night out after a busy semester.



2023 (cont.)

June 2023

- » The RAU leaps a massive 22 places in the Complete University Guide 2024. Of the 130 universities listed, the University was joint third in achieving the highest change in rank position coming in at number 73.
- » An RAU-led team, looking to understand how cultured meat could impact UK agriculture, appeals to farmers to help build a clearer picture of the risks and opportunities of the controversial technology.



July 2023

- » Animal welfare lecturers and researchers at the RAU welcome a new welfare strategy which has been adopted by the UK dairy industry – a move that senior RAU lecturer Dr Jess Stokes recommended in a paper written last year.
- » The University signs a Memorandum of Understanding with Royal Holloway, University of London, agreeing to collaborate on science and agriculture research projects and develop knowledge exchange opportunities, as well as sharing teaching and outreach expertise.
- » Following Peter McCaffery's visit to Sharjah, in the United Arab Emirates, in May, the RAU hosts a return visit from a high-level delegation from Sharjah to meet with senior staff from both the RAU and the University of Bristol. As well as knowledge exchange sessions, the visit included a formal lunch, traditional English afternoon tea, and a tree planting ceremony to commemorate the partnership.
- » Dr Esther Wilkinson, the RAU's Associate Director of Business Development, is appointed as Chair of GuildHE's International Network.

Chris Baker, winner of the University's Grand Idea competition



Appointments to New Roles



Dr Charl Linde
Marketing Officer

Charl Linde joined the RAU in November 2022 as a Marketing Officer. He completed degrees in Communications Sciences, English Literature, and

Afrikaans and Dutch Literature, at the University of Cape Town in South Africa, after which he read for an MSc in African Studies at the University of Oxford. His MSc dissertation analysed institutional and researcher responses to race-related research controversies in South Africa, while his PhD looked at media trials in the South African context. He has held fully-funded research scholarships and fellowships at Stockholm University, Yale University and Ghent University.

He has tutored on different degree programmes, including delivering some seminars and guest lectures. He was also part of the 2019 Transparency International School on Integrity at Mykolas Romeris University in Vilnius, Lithuania. Charl has worked in communications and marketing at the University of Cape Town and Stellenbosch University, with a specific focus on health sciences and Equality, Diversity and Inclusion.

At the RAU, Charl is responsible for social media and some of the university's annual publications. He has also worked on our submissions for the Complete University Guide, The Times Sunday Times Good University Guide, and Whatuni.



Dan Shaffer
Director of Academic and Student Services and Academic Registrar

Dan Shaffer joined the RAU in March 2023 as Associate Director of Academic Services,

before accepting the permanent Director and Academic Registrar role in July 2023. Dan oversees the professional Academic and Student Services teams to ensure students receive an effective and supportive experience in their studies. He manages the following areas: Academic Quality, Admissions, Enterprise and Employability, Registry, and Student Services.

Dan previously held senior roles across several different universities, as well as 10 years in the UK's central agency for fair admissions to higher education. This experience provided the rare and direct access to hundreds of universities and colleges, as well as Government departments and agencies, sharing intelligence and steering policies.

Dan is passionate about enhancing equality throughout the applicant and student experience and sees the lifecycle of Academic Services, from application through to graduation and careers, as the ideal overarching support area to embed good practice. Dan's ambition is to see the Academic Services at RAU make a real change for students' futures and support them to go out and demonstrate that change across the global land management sector.



Jamie Cipriani
Lecturer in Business

Jamie Cipriani joined the RAU in July 2023 and will teach business, including strategic management, marketing, and entrepreneurship

with the University's international collaboration programme with Qingdao Agricultural University in China. He will also contribute to the business and management modules delivered at the RAU campus.

Jamie is an RAU alumnus, having studied at the RAU from 2011 to 2016 completing both his BSc (Hons) and MSc in Business Management. It was his experience at the RAU that instilled in him a love for education which he would pursue. After gaining valuable experience and insights in various industries including finance, chemical distribution, and business services, Jamie went on to work as a Lecturer in Business at South Gloucestershire and Stroud College. Jamie is now studying for a Doctorate Education at the University of Gloucestershire.

Jamie aims to embody the RAU values of collaboration, open-mindedness, resourcefulness, responsibility and inclusivity in his teaching and research. Jamie has noted: "What the RAU has given me as an individual is beyond comprehension, so I will aim to give back in kind".



Karen Hocking
Head of Student Services

Karen Hocking joined the RAU in June 2023. Karen started her career as an Account Manager in the investments and pensions sector, before moving into

the Higher Education sector in 2008. Karen joins the RAU from the University of Bristol where she spent four years managing the Disability Services Team. Previously, Karen managed the Disability Services team at the University of Plymouth where she worked for nine years.

Karen is driven by continually improving and constantly evaluating accessible, student-focused support services to help all students achieve their potential. Karen actively works with students as partners, ensuring they are at the heart of what her teams offer in terms of student services. She has experience of working in partnerships with academic and professional services staff across the universities in which she has worked, raising awareness of disabilities and the support available, alongside the importance of proactive mental wellness strategies, and promotion of a university-wide shared responsibility for supporting students.

Karen is passionate about being part of a cultural change to make universities more inclusive for neurodivergent students. She has worked alongside Students' Unions to develop and promote student equality, diversity and inclusion policies.



Dr Liudmyla Batsenko

*Post-Doctoral
International Teaching
Fellow in Management
and Marketing*

Liudmyla Batsenko
joined the RAU in
September 2022 as a

Post-Doctoral Teaching Fellow in Management and Marketing. She holds an MSc in Management (Sumy National Agrarian University, Ukraine), MSc in Psychology (Sumy Pedagogical University, Ukraine) and a PhD in Economic Sciences (Kharkiv National Agrarian University, Ukraine).

She teaches management and marketing modules for business students at the RAU and on the University's international collaborative programme with Qingdao Agricultural University in China. Previously, Liudmyla worked as an Associate Professor in Management at the Sumy National Agrarian University for Ukrainian students and international students from different countries such as China, Nigeria, Turkey and India. She has extensive experience and expertise in supporting international students. She also worked in several other areas such as banking and educational systems where she was responsible for communication processes and the implementation of economic activity.

Liudmyla is an Editorial Board member of the International Scientific Conference on Knowledge Based Sustainable Development and an Associate member of the Ukrainian Association for Management Development and Business Education. Liudmyla's research focuses on human resource management including leadership and motivational aspects of management. She is also interested in issues of social responsibility of each business entity and the state as a whole.



Nur Nasser

Academic Quality Officer

Nur was appointed as an Academic Quality Officer in January 2023 and oversees the quality processes for programmes delivered at the RAU and

collaborative partners. She is the Secretary for the Academic Strategy and Planning Committee which approves the planning and development of the academic portfolio on behalf of Academic Board. She also oversees the approval cycle for new and current programmes within Agricultural Sciences and Practice.

Nur has substantial experience within Registry and previously worked at Coventry University as a Registry Officer for Collaborations. She led all registry activities for 12 global partners based in Dubai, Malaysia, Sri Lanka, France, China, and Poland, looking after courses that ran on a carousel basis.

She has also worked for the Coventry University Group, the University of Huddersfield, and the University of Birmingham, where her responsibilities have spanned student record maintenance, assessment, advice and guidance, appeals and complaints, and apprenticeships. Nur is passionate about student success and endeavours to create opportunities for excellence via academic quality processes within all programmes delivered at the RAU.



Dr Patricia Mathabe

*Senior Lecturer in
Agricultural Technology*

Patricia Mathabe joined the RAU in November 2022. Prior to taking up a position at the RAU, she was Course Leader for a BSc (Hons)

Agri-Business Management degree. She has worked on various research and agriculture projects in the United Kingdom (UK), South Africa (SA), Kenya and the United States of America (USA). She worked for a government agency in South Africa where she led various projects which focused on technology development, management, diffusion and transfer to small-scale farmers in South Africa. Some of the landmark projects include the development of upland rice in South Africa for commercial purposes and the development of canola cultivars in marginalised areas in the country, worked with academics to transfer research into technologies. She also has a wealth of experience in agricultural research. Her areas of interest and expertise lie in agricultural proteomics, agricultural technology development and technology transfer.

She holds a PhD in Plant Sciences from Montana State University (USA), MPhil in Biochemistry from Cambridge University (UK) and a Bachelors in Technology from Vaal University of Technology (SA). She is a recipient of prestigious and global awards including: Fulbright Scholarship, Prestigious Nelson Mandela Scholarship, Human Proteome Organization young investigator award and recently, she was awarded a global Women Changing the World award in Agriculture and Education.



Dr Esther Wilkinson

*Associate Director,
Business Development*

Esther joined the RAU in early-2023 after most of her 25-year career in sector agencies in higher education and research.

Esther spent almost nine years as Head of International at Jisc, the UK agency for digital, data and technology for higher and further education where she led international activities, partnerships and developed an international strategy. She has a First-Class BSc Hons, Diploma of Imperial College, and PhD in Chemistry from Imperial College.

Prior to this, Esther worked in various roles in higher education, previously as Assistant Director in the Universities UK International Unit delivering UK Government and overseas programmes. Esther also delivered a number of projects in the UK Research Councils for over 13 years; these included £multi-million Government longitudinal studies in the medical and social sciences, and establishing the RCUK Strategy Unit (precursor to UKRI). Other roles included a brief spell as a police officer in London, and as 'Planetary Protection Officer' on the Beagle2 Mission to Mars at the Open University.

As Associate Director for Business Development, Esther leads on the professional services in core areas which require academic engagement and support, partnership and business engagement.

Our Vision, Mission, and Purpose

Our Vision

To be the UK's global university for sustainable farming and land management enabling communities locally, nationally, and across the world to 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

The RAU's Strategy was launched in July 2023 and sets out our vision, **to be the UK's global university for sustainable farming and land management**, and will extend the RAU's impact and engagement with global challenges.

It will build upon our international reputation and brand and will help provide RAU graduates with access to a diversity of education and opportunities on a global scale. Crucially, it recognises the synergy between our international presence and the quality and impact generated through our Cirencester campus.

We will pursue our vision by focusing on three strategic goals that run through all we do. These are:

1. Quality

A global reputation for excellence and leadership across our teaching, research, and engagement.

- » All our programmes are market leaders
- » Our graduates are prized by employers
- » Our staff develop into recognised leaders within their disciplines
- » Professional bodies seek our expertise and help

2. Reach

A growing, diverse, and inclusive community of students and partners in the UK and internationally.

- » Increase in student applications to study in the UK
- » Attracting more students from under-represented groups
- » Growth in transnational education
- » Growing partnerships with like-minded organisations

3. Sustainability

A showcase for sustainable and resilient management through our land and estate, our finances, and our culture.

- » Physical transformation of our estate
- » Generating sufficient revenues to reinvest
- » Material progress towards achieving net zero
- » Our staff enjoy working here

1. Quality

Our students, as always, are at the heart of everything we do and our Silver rating, awarded in the Teaching Excellence Framework (TEF), bears testament to the very high quality and outstanding features of the student experience we provide and the student outcomes we generate.

The RAU was deemed to be 'outstanding' in staff professional development and academic practice, student continuation and completion rates, and intended educational gains, along with 'very high

quality' in approaches to supporting educational gains and student success, teaching assessment and feedback, student engagement and improvement, student progression rates, learning environment, and academic support and learning resources.

The TEF Silver award is a powerful endorsement of RAU education and our commitment to delivering excellence in all that we do.

The Higher Education Statistics Agency (HESA) released the Graduate Outcomes Survey (GOS) in June 2022 for graduates who completed their course in 2020/21 academic year. Graduates are surveyed 15 months after completion of their studies. Overall, of the 53% of our students who completed the survey, 68% are in graduate level (highly-skilled) employment. 39% of students who completed the GOS were earning between £24k and £26,999, significantly higher than students from our peer competitors.

Our postgraduate programmes in sustainable agriculture and food security, and real estate management continue to be market leaders in their sector.

More than three-quarters of our academic staff have an earned doctorate and were very successful in winning £1.4m in research grants – most of which were from highly competitive UK Research and Innovation (UKRI) funding rounds – and the largest sum so far awarded to the University. These research projects address topics such as sustainable agriculture, cultured meat, and the ownership of land. Through our twinning initiative with Sumy National Agrarian University in Ukraine we are partnering on a major £400k+ project that examines the impact of the war on farmland and farm security.



Dr Patricia Mathabe won Silver and Bronze in the Education and Agriculture categories respectively at this year's Women Changing the World Awards. While Professor David Main and Associate Professor David O'Connor were recognised in 2022 Stanford University list of the top 2% of influential scientists in the world.

Our Professoriate was also pivotal to the development of a collaborative strategy for the sixteen UK universities of the Agricultural Universities Council (AUC). Launched at RAU Swindon in May, this is the first time that agricultural research providers have joined up on this scale and demonstrates 'the kind of strategic leadership called for by the deep and urgent crises in our food and farming' as Henry Dimbleby, who led the National Food Strategy (2020), put it. Our Farm491 was also featured as a national case study of high impact in the (60 university member) Guild HE Report "Building the Jigsaw" (2022).

In order to improve the student experience, resource allocation, and academic delivery further, we have laid the foundations for a new academic structure, based on subjects and modules, and introduced a revised Workload Allocation Model for academic staff. Equality, diversity and inclusion are also now embedded throughout the University curriculum including anonymous marking.

We have undertaken focused and high-quality staff recruitment, including the appointment of two new Deans of Subject for 2023/2024, and have invested in strategically-aligned induction and CPD for our current and new appointees.

We are also proud that the delivery and quality of teaching has not been disrupted for our students owing to industrial action. We have worked closely with the University and Colleges Employers' Association and listened to experiences across the sector. We have understood the pay demands of the unions and staff, and agreed the implementation of the pay award that was not disputed.

2. Reach

As in the past, we continue to promote and develop land management and agricultural education across the globe.

As global food supplies were weaponised as an 'instrument of war' in Eastern Europe, we were selected - against strong competition - by the Uzbekistan Ministry of Agriculture to be the lead founding partner in establishing the new International Agriculture University (IAU) in Tashkent, which we jointly launched in September 2022. The aim of the new university is to lead the reform of higher education in agriculture in Uzbekistan and secure international recognition for agriculture's role (c.25% of the country's GDP) in the nation's transitional economy and society. Working with the Uzbek government, we aim to establish a centre of excellence for sustainability in Central Asia. The new building was named The Queen Elizabeth II Building in honour of the RAU's late Patron.

Working in collaboration with the University of Bristol, we have established a new partnership with Sharjah, in the United Arab Emirates, to deliver complementary programmes in Agricultural Sciences and Veterinary Medicine at the University of Sharjah's new Al Dhaid campus. The new programmes will help create more sustainable crop and livestock systems, while building critical agricultural and veterinary capacity, in their government's quest to produce the world's finest wheat.

Our China programmes go from strength to strength. With more than 2,100 students at our Joint Institute in Qingdao Agricultural University and Shandong University, we are one of only five 'highly trusted' UK universities in China recognised by the Chinese Ministry of Education. Guided by the British Council and the Foreign Office, and with the support of the Department for International Trade and the

British Embassy in Beijing, we look forward to substantial growth in postgraduate student numbers next year. We use all surpluses we generate from our overseas activity to enhance the student and staff experience at home.

As a local and national university, we have expanded our outreach programme offer to include science-based and business-related subjects. This has resulted in an increase in the proportion of students drawn from state schools and from lower socio-economic groups. And, while we have comparatively high levels of diversity in our postgraduate community, we recognise we must, in line with the land-based sector overall, do more to broaden participation in undergraduate land-based programmes.

In order to drive our commitment to a diverse and inclusive community, the Vice-Chancellor has taken the Chair of our Equality, Diversity and Inclusion Steering Group and appointed staff Diversity Champions representing each area of the University. Our 2023 Staff Survey focused on equality issues and the feedback from this is informing our actions.

Throughout the year we welcomed experts on equality issues to train, challenge, and inform our staff and students, including the Union of Jewish Students, Gloucester's Sexual Assault Referral Centre, and the national Student Charter Group.

We also value our place within the local community and have, for example, acted as host to the Cirencester Perimenopausal and Menopause Support Group, and have been home to Cirencester Parkrun since 2018.



3. Sustainability

In December 2022, we were successful in our bid to the OfS Capital Funding Competition and were awarded £5.8m, the maximum amount available under the scheme, to build new Land Laboratories that will replace our current laboratory.

The new Land Laboratories, which will entail the refurbishment of the Frank Garner lecture block and Cedar Lodge, will enhance the delivery of our curriculum, the quality of our students' learning experience, and the development of our research, as well as our ability to recruit students and staff.

The Innovation Village is central to our vision and will provide a vibrant home to a community of entrepreneurs, policymakers, practitioners, and researchers. It will be a highly sustainable, landscape-led development and a case study demonstration of the RAU's values, relevance, and ambition. Plans for the Innovation Village are well underway, with the recruitment of Architype, the leading Passivhaus architectural practice with more than 30 years' experience, leading the design process. The Hereford-based architects will be joined by Cirencester's OPS Structures and QODA MEP Consultants of Faringdon, meaning that the core design team is all based within 60 miles of the site. The landscape-led design befitting such a project will be the responsibility of BD Landscape Architects of Tewkesbury, whose job it is to develop a scheme that embodies the values of the University and the vision of our strategy. During 2022-23, the design team started consulting with stakeholders and industry and is currently working towards the first milestone, to pass the RIBA Stage 2 concept design phase, enabling submission of an outline planning application next Spring.

The Land Laboratories and Innovation Village form part of a new Estate strategy and Masterplan, that will correlate various existing workstreams including the RAU condition survey, space utilisation, and regenerative road map into a single strategy.

To finance our Estate strategy and other initiatives, consolidation of the RAU's activities onto central parts of the estate enables the disposal of redundant elements of the estate that will improve our operational efficiency and our financial position. Planning is also under way for targeting potential funders and investors who may support different elements of the Estate strategy and Masterplan.

The improvement of our digital infrastructure, programmes, and stakeholder experience around our IT is central to our new Digital Strategy. The development of a CRM system that will, among other things, enable better reporting for student recruitment, along with the digitisation of human resources processes in staff recruitment, learning development, and GDPR, will improve efficiency and enhance the quality of our communication and reach with different audiences. This will be fully integrated by the end of this year.

Through Architype we have also created a regenerative roadmap for our Cirencester campus that will help enable us to move towards a Net Zero Whole Life Carbon operational model.

In a similar vein, in February we launched an ambitious Food and Farming Strategy aimed at producing as much of what we consume as we can as sustainably as possible, with a view to establishing a profitable social enterprise business portfolio that reflects our sustainable food provenance ambitions. The strategy is focused on engaging our students in the associated challenges and opportunities and will include an annual Student Food and Farming Conference – the first of these took place in October 2023. Likewise, the United Nations' Sustainable Development goals are now also embedded across the University curriculum.





We are delighted to have been shortlisted for two prestigious awards in this year's Whatuni Student Choice Awards, the largest exclusively student-voted awards in the UK.

The Small or Specialist University category, where results are based purely on student feedback, and also for the special Submission Award, for which this year's theme was the cost of living crisis.



Public Benefit Statement

The RAU provides public benefit through the provision of specialist education and training in sustainable farming and land-based subjects, providing a substantial output of skilled, reflective, independent, and self-directed learners and researchers equipped to address the most pressing challenges in the world today.

The University believes our responsibility is to create, explore, apply and evaluate the application of new knowledge in a range of settings. We pride ourselves on close connections with business, providing entrepreneurial support and helping accelerate the establishment and growth of rural enterprises and business. Alongside this, we provide world-leading leadership and skills programmes for individuals to develop the strategic insight and business acumen required to lead and manage businesses.

Our research activities provide both societal impact and innovative projects with extensive industry connections and university partnerships, spanning pure and applied research. We have a strong focus on dissemination of knowledge gained from the research activities of our 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.

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

In recent years, the RAU's academics have increased their contribution to public policy development providing intellectual influence, strategic insight and innovative thinking to address the policy challenges facing governments and rural industries. This has included input to Government's National Food Strategy, advising on the development of new farmer-led research funding schemes, and developing a collaborative policy position for the Farm Animal Welfare Forum, 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 Institution 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, recognising and addressing the needs and concerns of the public and our communities. We are particularly proud of the role that we play in supporting communities locally, especially with the support of our students, for example through our 'Wild Campus' project. 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. Our public engagement activities have grown in scope and impact through lectures, webinars, social media channels, podcast and television and radio programmes, with audiences reaching across the Discovery Channel, BBC Coast, Country File and Farming Today.

The RAU also makes a significant contribution to the wider region. This includes working closely with the Gloucestershire Local Enterprise Partnership (LEP) through engagement with its Agri-food and Rural Business Group, contribution to the Gloucestershire 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.

As the UK's global agricultural university, the Innovation Village is central to our vision and will be a vibrant home to a community of entrepreneurs, policymakers, practitioners, and researchers, committed to addressing the major global challenges we all face. The Innovation Village aims to support industry, food producers, farmers, and landowners in developing sustainable solutions for healthy land and nature, food production, and

resilience in rural communities and will address our civic, local and regional missions, as well as providing a beautiful, carbon neutral area that is rich in nature, and inspires innovation through its environment. The RAU also hosts a Cultural Heritage Institute, located in Swindon's Railway Village which provides a local facility for research and teaching in cultural heritage, but also as a focal point to bring local communities together and influence national policy.

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, underpinned by the RAU Equality, Diversity and Inclusion Strategy (2021-25).

We are committed to continuous, positive change and we will proactively advance equality and inclusive practice across the University community.





Financial Review

Consolidated Statement of Comprehensive Income for the year ended 31 July 2023

	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
Income		
Tuition fees and education contracts	12,467	12,270
Funding body grants	1,973	1,459
Research grants and contracts	383	289
Other income	5,065	4,710
Investment income	87	66
Donations and endowments	289	220
Total income	20,264	19,014
Expenditure		
Staff costs	9,428	9,825
Other operating expenses	9,656	8,210
Interest and other finance costs	236	223
Depreciation and amortisation	1,057	996
Total expenditure	20,377	19,254
Deficit before other gains and losses	(113)	(240)
Gain/(loss) on sale of fixed assets and investments	135	(77)
Loss on investments	(40)	(127)
Operating deficit for the year	(18)	(444)
Actuarial pension (loss)/gain	(552)	7,385
Asset revaluation reserve movement	(51)	(12)
Total comprehensive (expenditure)/income	(621)	6,929

The financial year 2022-23 delivered an improvement in financial performance; an operating deficit of £18k in 2022-23 compared to an operating deficit of £444k 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 £20.3m (2022: £19.0m), an increase of £1.3m. Tuition fee income increased by £0.2m, whilst other income increased by £0.3m compared with the prior year, as commercial activity stabilised following the Covid-19 pandemic.

Total expenditure for the year was £20.4m (2022: £19.3m), an increase of £1.1m. This was largely driven by an uplift in operating expenditure of £1.2m due to inflationary pressures on expenditure, particularly to catering and utility costs.

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 2023 to 31 December 2024 (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 90.

Total net assets at the 2023 year end were £31.4m (2022: £32.0m)

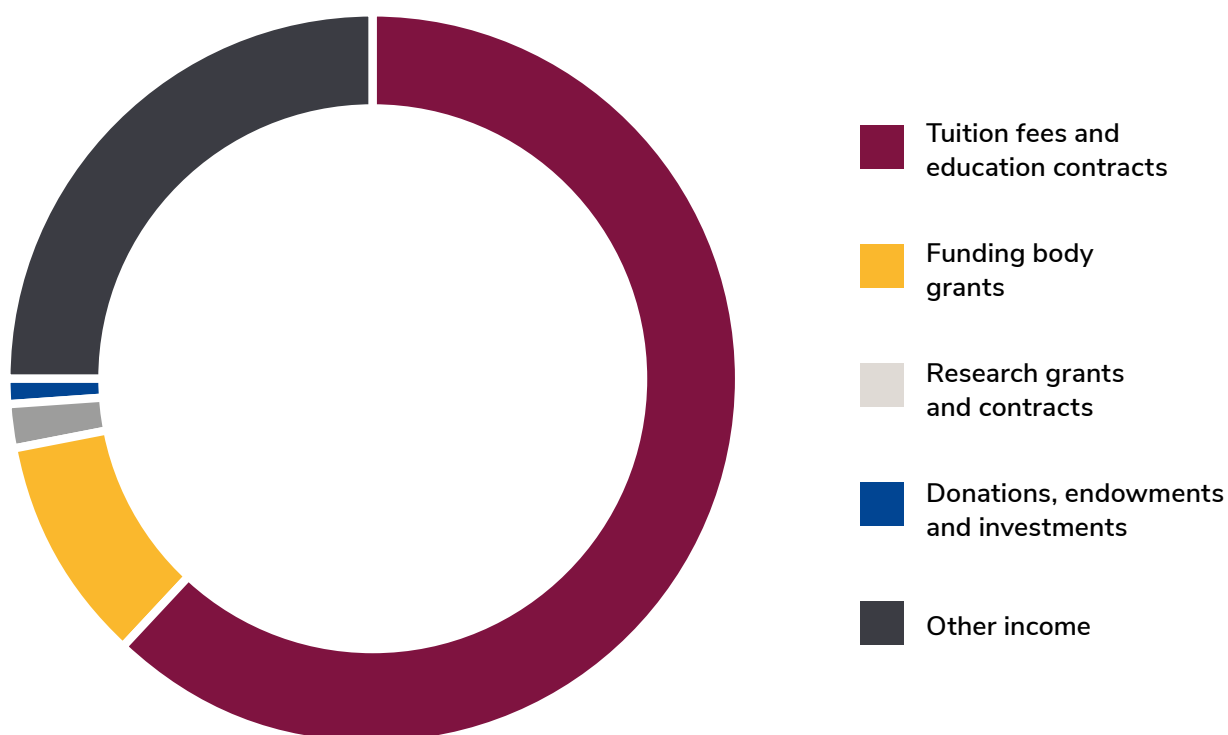
Fixed assets fell by £0.4m from £32.6m in 2022 to £32.2m in 2023. Capital expenditure on tangible fixed assets during the year was £0.7m (2022: £0.7m).

Cash at bank and in hand at the year end was £3.7m (2022: £2.9m). In addition to this the University has a Revolving Credit Facility of £1.0m until February 2025.

The pension provision increased by £0.5m to £7.9m (2022: £7.4m) following the annual revaluation of the RAU's pension liabilities by an independent actuary.



RAU Income 2022 - 2023

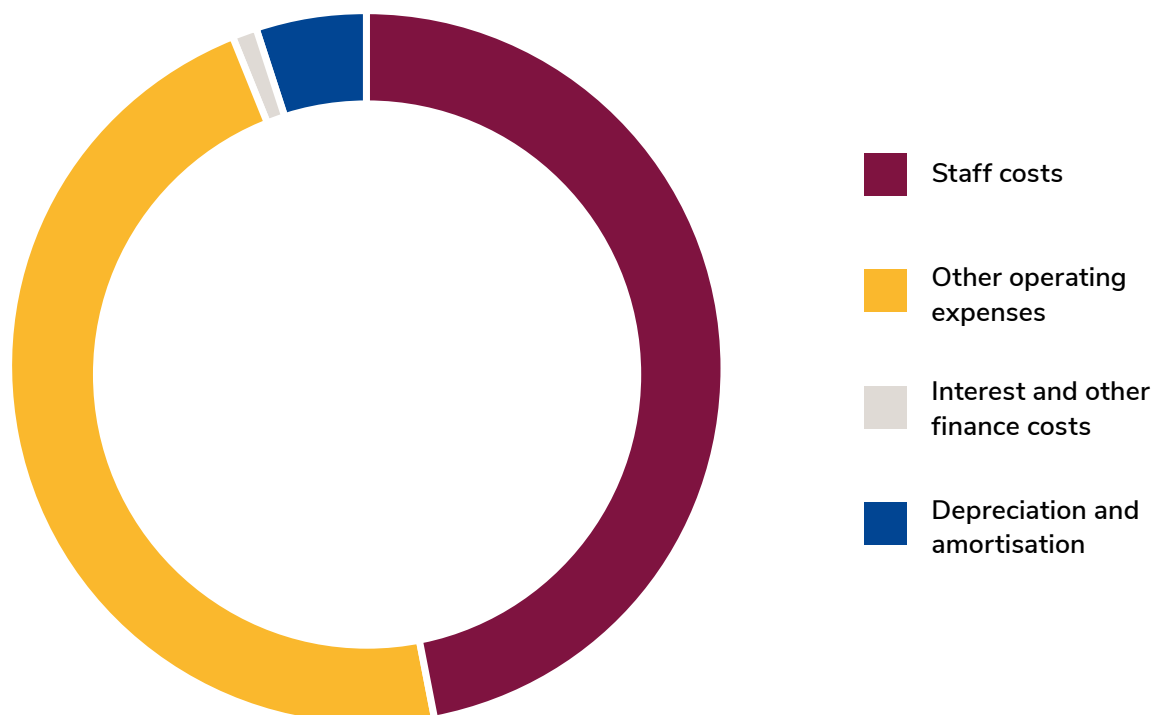


Total income for the year was £20.3m (2022: £19.0m)

The pie chart graphic above shows RAU's total income for the year 2022-2023. This information is also detailed in the table below.

RAU Income 2022-23	%
Tuition fees and education contracts	62
Funding body grants	10
Research grants and contracts	2
Donations, endowments and investments	1
Other income	25

RAU Expenditure 2022-23



Total expenditure for the year was £20.4m (2022: £19.3m)

The pie chart graphic above shows RAU's total expenditure for the year 2022-2023. This information is also detailed in the table below.

RAU Expenditure 2022-23	%
Staff costs	47
Other operating expenses	47
Interest and other finance costs	1
Depreciation and amortisation	5

Tuition fees and education contracts contributed 62%, or £12.5m of income (2022: £12.3m).

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 £5.0m of income (2022: £4.7m).

Staff costs comprised 47%, or £9.4m of expenses (2022: £9.8m). Staff numbers were 202 for the year (2022: 203).

Other operating expenses comprised 47%, or £9.7m of expenses (2022: £8.2m). This increase is largely driven by inflationary pressures on catering and utility costs.



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, in order to ensure that all significant purchases are properly assessed and quoted.

The University's Institutional Planning & Governance directorate (IPG) coordinates an integrated planning cycle across the University, which aligns financial planning with academic planning for research and teaching, and other aspects of resource planning. This process ensures an evidence-based assessment of activities and resourcing decisions. The integration of how we plan across functions helps to ensure a broader and more holistic understanding of the implications around the use of resource at the RAU, and draws out opportunities to generate further VFM.

**Land & Property Management
has been ranked in the top
ten nationally in the Complete
University Guide 2024's
Subject League Table.**



Principal Risks and Uncertainties

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

Estates & Facilities

Risk of having an ineffective Estates Strategy and capital programme which fails to meet the needs of the University.

Causes:

- » Failure to invest in regular maintenance of the buildings and estate
- » Lack of funded long-term capital programme
- » Failure to effectively prioritise
- » Lack of evidence-based understanding for the performance of the estate

Mitigating actions:

- » Emerging development of an Estates Strategy and Masterplan
- » Design of Innovation Village development
- » Investment in a new CAFM system
- » Development of a maintenance programme informed by recent condition survey
- » Targeted opportunities to leverage external capital investment in to the campus estate
- » Establishment of effective governance structures for estates

External Environment & Sustainability

Risk of changes within the external environment that will prevent us reaching our targets towards environmental, social and financial sustainability.

Causes:

- » Failure to commit to an appropriate net zero target with an associated development plan
- » Lack of Government support and external funding to decarbonise the estate
- » Changes in public attitude towards sustainability goals
- » Change in league table methodologies that may impact upon our perceived performance

Mitigating actions:

- » Development of Estates Strategy with focus upon decarbonisation plans
- » Formation of Sustainability Action Group to oversee development and implementation of a Sustainability Strategy
- » Having ready-to-go projects to react effectively to funding calls when announced

Finance

Risk of failing to grow and diversify income, control cost, and invest in the future.

Causes:

- » Shortfall in tuition fee income attributed to a reduction 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
- » The University has a Revolving Credit Facility of £1.0m until February 2025



Digital

Risk of an ineffective Digital Strategy and implementation plan which leaves the University exposed to security threat, systems failure, and poor service.

Causes:

- » Poor understanding of exposure to digital infrastructure risks and cyber threats
- » Lack of funded long-term capital programme
- » Failure to effectively prioritise
- » Lack of in-house capacity to deliver at scale and pace

Mitigating actions:

- » Development and publication of new Digital Strategy
- » Formation of a Digital Steering Group
- » Investment in key projects like the University's middleware
- » Appropriate use of external contracts and consultants to provide capacity

Institutional Foresight

Failure to adjust our product and service offering in time to respond to changes in the UK and global operating environment.

Causes:

- » Changes to inter-governmental relationships that lead to operational barriers
- » Changes to national policies, for example, regarding UKVI regulation
- » Failure to have effective internal structures in place to predict and respond to changes

Mitigating actions:

- » Diversifying activity to dilute our vulnerability to the impact of external changes
- » Establishment of an Institutional Planning & Governance Directorate to help provide greater foresight
- » Ensuring that the RAU's network of national and international supporters and stakeholders is nurtured and developed



Legal & 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

People

Risk that the University is unable to recruit, engage, and retain a workforce capable of delivering the University's strategic goals.

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 of staff welfare initiatives
- » Adoption of hybrid working policies



Reputation & Culture

Risk that the University fails to embed a culture that is consistent with its values, resulting in poor productivity and damaging to the RAU's reputation.

Causes:

- » Ineffective staff and student inductions
- » 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
- » Investment in senior academic leadership to drive quality of the student experience
- » Proactive marketing and communications strategy aligned to organisational vision, mission and values
- » Development of suite of mechanisms to continually engage staff and listen/act on feedback
- » Enhanced governance to oversee strategic partnerships

Research

The University fails to demonstrate its standing as a leading agricultural university through the impact of our academic research.

Causes:

- » Retention of high-quality academic staff with a global reputation
- » Attracting and building a pipeline of research students
- » The ability to attract and increase funding
- » Broadening and diversifying our world-leading global portfolio in agriculture
- » Attaining research degree awarding power

Mitigating actions:

- » Allowing staff time to pursue research
- » Research infrastructure and resourcing i.e. creation of a research office
- » Maximising funding opportunities and ensuring that we are exploring all avenues of funding
- » Leveraging our partnerships with institutions in the UK and globally for research collaboration
- » Developing a research culture and environment across the institution

Student Experience & Outcomes

The University fails to deliver student success outcomes and a good university experience, impeding the RAU's ability to attract and grow a diverse student community.

Causes:

- » Programme content lacking in currency and relevance
- » Inflexible delivery methods
- » Students are 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
- » Ineffective pastoral support to cater for a breadth of student needs

Mitigating actions:

- » Internal audit of student experience
- » Investment in academic leadership
- » Strong links with the Students' Union to provide integrated support
- » Effective governance structures, that includes student representation and the student voice
- » Development of the estate to improve on-campus facilities
- » Investment in Student Support teams

Uzbekistan's new International Agriculture University, a partnership with the RAU, has officially opened in the nation's capital Tashkent.



Corporate Governance

The Governors have pleasure in presenting their report and financial statements for the year ended 31 July 2023, 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. We aim to conduct our business in accordance with the seven principles set out by the Nolan Committee on Standards in Public Life: 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. In 2019 it was awarded Exempt Charitable Status by the Privy Council. 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;
- » state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- » 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 Strategy 2023-2028 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 four formal meetings each year and ad hoc meetings as necessary. No members of the Governing Council received 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 a 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 Finance Director 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 Council 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 Director 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 2023:



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 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. 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), a Board member and Chair of the Finance Committee of AECC University College, 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. Bob then became 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

Catherine 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, Peter's role is to provide guidance and leadership on all aspects of academic activity within the University.

Peter has more than 35 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.

A National Leadership Fellow of the Leadership for HE, 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 is 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 Salford 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. 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 £200m second main runway scheme and the creation and management of the £20m 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. Sue is the immediate past Chairman of the national RICS Countryside Policy Panel, a member of the Rural Coalition, and a former Trustee of the Cheshire Wildlife Trust. She served on Natural England's Stakeholder Working Group on Discovering Lost Ways leading to the publication of the report 'Stepping Forward - the Stakeholder Working Group on Unrecorded Public Rights of Way.' She has also held the post of President of the Cheshire Agricultural Valuers Association.

Susan sits on the Finance and Estates Committee.



Mr Hugh Baker

Independent Governor

Appointed February 2022

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.



Ms Joy Lo Dico

Independent Governor

Appointed February 2022

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

Appointed February 2022

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

Appointed February 2022

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 and Remunerations Committees.



Mr David Morgan

Independent Governor

Appointed February 2022

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

Appointed February 2022

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 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.



Ms Megan Stacey

Student Governor

Appointed September 2021

Meg has completed a degree in Rural Land Management and a Masters in Business Management, both at the RAU. Meg says: "It is such a special community to be a part of and, in 2022, I was lucky to be voted as the Students' Union President for the 2022/23 academic year. Advocating for students and ensuring they have the best time possible at the RAU is the real highlight of my job."

Meg sits on Nominations Committee.

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 Head of Governance.

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 2023, 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 2022	31 July 2023
Mr Hugh Baker	-	2
Mr Bob Branson	5	5
Mr Kim Frost	5	5
Mr Wilfred Emmanuel-Jones	-	2
Ms Joy Lo Dico	-	2
Dr Catherine MacKenzie	5	5
Mr Jason Makepeace	-	2
Professor Peter McCaffery	4	4
Mr David Morgan	-	2
Ms Sue Pritchard	-	2
Dame Fiona Reynolds	5	5
Mr Neil Scott	5	5
Mrs Susan Steer	5	5
Total	34	46

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 next 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 International Partnerships and accommodation. 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 Governors 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 2023 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 2023 which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Statements of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

The 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 of 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 4 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 Council Members (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 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:

Non-compliance with laws and regulations

Based on:

- » Our understanding of the Group and the sector in which it operates;
- » Discussion with management and those charged with governance and the Audit and Risk Committee;
- » Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- » Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41), Companies Act 2006 and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

We identified such laws and regulations to be registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

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

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the posting of manual journals to material revenue streams, the recognition of tuition fee revenue in line with course dates and revenue recognised in relation to partnership arrangements.

Our procedures in respect of the above included:

- » In addressing the risk of fraud through improper income recognition, we tested the appropriateness of certain journals to material revenue streams, tested the application of cut-off and revenue recognition for a sample of students, re-performed the deferred income calculation for tuition fees and verified the arrangements and recognition of fees of a sample of overseas partners.
- » In addressing the risk of fraud through management override of controls, testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation and ensuring the University processes and controls had been followed.
- » Assessing significant estimates made by management for bias, including bad debt provision, useful economic lives of tangible fixed assets and the assumptions applied in defined benefit pension calculations.

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

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

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

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Governing Council 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 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: 07 December 2023

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 2023

	Note	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	2	12,467	12,398	12,270	12,215
Funding body grants	3	1,973	1,973	1,459	1,459
Research grants and contracts	4	383	383	289	289
Other income	5	5,065	4,495	4,710	4,206
Investment income	6	87	87	66	66
Total income before donations and endowments		19,975	19,336	18,794	18,235
Donations and endowments	7	289	289	220	220
Total income		20,264	19,625	19,014	18,455
Expenditure					
Staff costs	8	9,428	9,164	9,825	9,510
Other operating expenses		9,656	8,975	8,210	7,957
Interest and other finance costs	9	236	236	223	223
Depreciation and amortisation	10	1,057	1,057	996	996
Total expenditure	10	20,377	19,432	19,254	18,686
(Deficit)/surplus before other gains and losses		(113)	193	(240)	(231)
Profit/(loss) on sale of fixed assets and investments		135	135	(77)	(77)
Loss on investments	14	(40)	(40)	(127)	(127)
Operating (deficit)/surplus for the year before taxation		(18)	288	(444)	(435)
Taxation		-	-	-	-
Operating (deficit)/surplus for the year		(18)	288	(444)	(435)
Actuarial (loss)/gain in respect of pension schemes	30	(552)	(552)	7,385	7,385
Asset revaluation reserve movement		(51)	(51)	(12)	(12)
Total comprehensive (expenditure)/income for the year		(621)	(315)	6,929	6,938
Represented by:					
Endowment comprehensive expenditure for the year		(114)	(114)	(118)	(118)
Unrestricted comprehensive (expenditure)/income for the year		(507)	(201)	7,047	7,056
Attributable to the University		(621)	(315)	6,929	6,938

All items of income and expenditure relate to continuing activities.

Consolidated and University Statements of Changes in Reserves Year ended 31 July 2023

	Income reserve			Revaluation reserve	Share capital	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000	£'000
Consolidated						
At 1 August 2021	2,479	-	10,689	11,890	1	25,059
Operating deficit 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 prior year	(118)	-	7,234	(187)	-	6,929
At 31 July and 1 August 2022	2,361	-	17,923	11,703	1	31,988
Operating (deficit)/surplus from the comprehensive income statement	(34)	-	16	-	-	(18)
Other comprehensive income - actuarial loss	-	-	(552)	-	-	(552)
Asset revaluation reserve movements	-	-	-	(51)	-	(51)
Transfer of excess depreciation on revaluation of fixed assets	-	-	307	(307)	-	-
Release of endowment and restricted capital funds spent in the year	(80)	-	80	-	-	-
Total comprehensive (expenditure)/income for the year	(114)	-	(149)	(358)	-	(621)
Balance at 31 July 2023	2,247	-	17,774	11,345	1	31,367

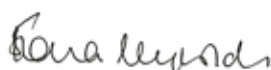
	Income reserve			Revaluation reserve	Share capital	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000	£'000
University						
At 1 August 2021	2,479	-	10,689	11,890	1	25,059
Operating deficit from the comprehensive income statement	(118)	-	(317)	-	-	(435)
Other comprehensive income – actuarial gain	-	-	7,385	-	-	7,385
Asset revaluation reserve movements	-	-	-	(12)	-	(12)
Transfer of excess depreciation on revaluation of fixed assets	-	-	175	(175)	-	-
Total comprehensive (expenditure)/income for prior year	(118)	-	7,243	(187)	-	6,938
At 31 July and 1 August 2022	2,361	-	17,932	11,703	1	31,997
Operating (deficit)/income from the comprehensive income statement	(34)	-	322	-	-	288
Other comprehensive income - actuarial loss	-	-	(552)	-	-	(552)
Asset revaluation reserve movements	-	-	-	(51)	-	(51)
Transfer of excess depreciation on revaluation of fixed assets	-	-	307	(307)	-	-
Release of endowment and restricted capital funds spent in the year	(80)	-	80	-	-	-
Total comprehensive (expenditure)/income for the year	(114)	-	157	(358)	-	(315)
Balance at 31 July 2023	2,247	-	18,089	11,345	1	31,682

Consolidated and University Balance Sheets at 31 July 2023

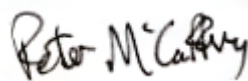
Company Number 99168

	Note	At 31 July 2023		At 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	11	259	259	290	290
Fixed assets	12	32,173	32,173	32,566	32,566
Heritage assets	13	553	553	604	604
Investments	14	2,218	4,768	2,258	4,808
		35,203	37,753	35,718	38,268
Current assets					
Stock	15	2,870	354	2,789	268
Trade and other receivables	16	1,618	2,361	1,203	1,476
Cash and cash equivalents	23	3,687	3,168	2,920	2,579
		8,175	5,883	6,912	4,323
Creditors: amounts falling due within one year	17	(4,023)	(3,966)	(3,136)	(3,088)
Net current assets		4,152	1,917	3,776	1,235
Total assets less current liabilities		39,355	39,670	39,494	39,503
Creditors: amounts falling due after more than one year	18	-	-	-	-
Provisions					
Pension provisions	19	(7,906)	(7,906)	(7,428)	(7,428)
Other provisions	19	(82)	(82)	(78)	(78)
Total net assets		31,367	31,682	31,988	31,997
Restricted Reserves					
Income account reserve - endowment	20	2,247	2,247	2,361	2,361
Income account reserve - restricted	21	-	-	-	-
Unrestricted Reserves					
Income account reserve - unrestricted		17,774	18,089	17,923	17,932
Revaluation reserve		11,345	11,345	11,703	11,703
		31,366	31,681	31,987	31,996
Share capital	22	1	1	1	1
Total Reserves		31,367	31,682	31,988	31,997

The financial statements were approved and authorised for issue by the Governing Body on 22 November 2023 and were signed on its behalf on that date by:



Dame Fiona Reynolds,
Chair of Governors



Professor Peter McCaffery,
Governor

Consolidated Cash Flow Statement

Year ended 31 July 2023

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Cash flow from operating activities		
Deficit for the year	(18)	(444)
Adjustment for non-cash items		
Amortisation of intangible assets	118	111
Depreciation	939	885
Endowment investment movements	40	127
Increase in stock	(81)	(51)
Increase in debtors	(415)	(245)
Increase in creditors	887	127
Increase in other provisions	4	4
Post-employment benefits less payments	(74)	104
Adjustment for investing or financing activities		
Investment income	(87)	(66)
Interest payable	-	2
(Profit)/loss on the sale of fixed assets and investments	(135)	77
Capital grant income	(100)	(30)
Net cash inflow from operating activities	1,078	601
Cash flows from investing activities		
Capital grant receipts	100	30
Proceeds from sale of fixed assets and investments	244	7
Investment income	87	66
Payments made to acquire intangible assets	(87)	(169)
Payments made to acquire tangible fixed assets	(655)	(705)
Net cash outflow from investing activities	(311)	(771)
Cash flows from financing activities		
Interest paid	-	(2)
Repayment of loans	-	(174)
Net cash outflow from financing activities	-	(176)
Increase/(decrease) in cash and cash equivalents in the year	767	(346)
Cash and cash equivalents at beginning of the year	2,920	3,266
Cash and cash equivalents at end of the year (note 23)	3,687	2,920

Notes to the Financial Statements for the year ended 31 July 2023

1. Statement of Principal Accounting Policies and Estimation Techniques

Basis of preparation

The financial statements are prepared in sterling (£) which is the functional and presentational currency of the University.

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 (2019 edition), the Accounts Direction issued by the Office for Students (OFS) 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 2023 to 31 December 2024 (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.

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 December 2024 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.

Notes to the Financial Statements for the year ended 31 July 2023

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.

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 2023

Tangible fixed assets for University use

Tangible fixed asset additions where cost of acquisition exceeds £5,000 (2022: £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 2023

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 2023

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 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2. Tuition fees and education contracts				
Full-time home and EU students	7,460	7,460	8,502	8,502
Full-time international students	1,855	1,855	1,451	1,451
Part-time students and non qualifying course students	3,152	3,083	2,317	2,262
	12,467	12,398	12,270	12,215
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3. Funding body grants				
Office for Students/Research England funding	1,873	1,873	1,429	1,429
Capital grant	100	100	30	30
	1,973	1,973	1,459	1,459
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4. Research grants and contracts				
Research charities	-	-	6	6
Industry and commerce	128	128	62	62
Other	255	255	221	221
	383	383	289	289
Details of grant and fee income	£'000	£'000	£'000	£'000
Grant income from OfS	1,210	1,210	1,076	1,076
Grant income from other bodies	763	763	383	383
Fee income for taught awards	9,693	9,693	10,200	10,200
Fee income for research awards	501	501	387	387
Fee income for non-qualifying courses	2,656	2,587	1,972	1,917
	14,823	14,754	14,018	13,963

Notes to the Financial Statements for the year ended 31 July 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5. Other income				
Residences, catering and conferences	3,826	3,154	3,500	2,949
Farms income	555	555	483	483
Property rentals and ground hire income	72	72	68	68
Furlough income	-	-	2	2
Other income	612	714	657	704
	5,065	4,495	4,710	4,206
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
6. Investment income				
Other investment income	87	87	66	66
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7. Donations and endowments				
Donations unrestricted	212	212	41	41
Donations with restrictions	77	77	179	179
	289	289	220	220
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8. Staff costs				
Salaries	7,901	7,637	8,177	7,862
Social security costs	791	791	838	838
Other pension costs	736	736	810	810
	9,428	9,164	9,825	9,510

Notes to the Financial Statements for the year ended 31 July 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
8. Staff costs (cont.)	P McCaffery	J Price	P McCaffery	J Price
Emoluments of the Vice-Chancellor:	£	£	£	£
Salary	203,940	-	181,500	15,588
Benefits - accommodation allowance	-	-	-	1,500
Other income	-	-	-	3,053
	203,940	-	181,500	20,111

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 sub-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 2023	Year ended 31 July 2022
	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
Vice-Chancellor's total remuneration to employees' median (J Price to 31/8/2021)	-	7.0
Vice-Chancellor's basic salary to employees' median salary (P McCaffery from 1/9/2021)	6.5	6.3
Vice-Chancellor's total remuneration to employees' median total remuneration (P McCaffery from 1/9/2021)	6.3	5.7
Remuneration of other higher paid staff excluding pension contributions and termination payments		
£100,000 - £104,999	-	1
£135,000 - £139,999	-	1
£140,000 - £144,999	1	-
£145,000 - £149,999	-	1

Notes to the Financial Statements for the year ended 31 July 2023

8. Staff costs (cont.)	Year ended 31 July 2023	Year ended 31 July 2022
Average full time equivalent staff numbers by major category		
Academic	43	53
Academic support	2	4
Continuing education	5	5
Academic services	41	36
Central administration	49	53
Staff and student facilities	4	5
Premises	17	10
Residences and catering	41	37
	202	203

Termination payments were paid or due for the year totalling £41,000 (2022: £350,000) relating to termination severance and settlement payments. £nil (2022: £218,000) is included in creditors. The accounting policy for termination payments is shown in note 1.

	Year ended 31 July 2023	Year ended 31 July 2022
Key management personnel	£'000	£'000
Key management personnel remuneration	821	858

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, Pro Vice-Chancellor Education and Students and Pro Vice-Chancellor Academic Planning and Resources (part this year). 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 usual procurement procedures.

No Council member has received any remuneration or waived payments from the University or any subsidiary during the year (2022: £Nil). The total expenses paid to or on behalf of 8 council members in the year was £2,629 (2022: £2,768 to 9 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 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9. Interest and other finance costs				
Loan interest	-	-	2	2
Pension scheme charge (note 30)	236	236	221	221
	236	236	223	223

Notes to the Financial Statements for the year ended 31 July 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10. Analysis of total expenditure by activity				
Academic departments	3,700	3,648	4,613	4,539
Academic services	2,896	2,896	2,861	2,861
Research grants	596	495	373	373
Consultancy	39	-	37	-
Commercial services	2,543	2,001	2,107	1,712
Premises	3,529	3,570	3,073	3,113
Central administration	4,000	3,914	3,644	3,663
General education expenditure	1,366	1,391	1,042	1,042
Staff and student facilities	657	563	495	378
Others including general endowment expenditure	1,051	954	1,009	1,005
	20,377	19,432	19,254	18,686
	Consolidated £'000		Consolidated £'000	
Total expenditure includes:				
Amortisation of intangible fixed assets	118		111	
Depreciation of tangible fixed assets	939		885	
Total amortisation and depreciation	1,057		996	
External auditors' remuneration – audit services including VAT	102		60	
External auditors' remuneration – non-audit services	3		1	
Operating lease rentals:				
Land and buildings	462		489	
Other	118		103	

Notes to the Financial Statements for the year ended 31 July 2023

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

	Year ended 31 July 2023	Year ended 31 July 2022
Access and Participation expenditure	Consolidated £'000	Consolidated £'000
Total expenditure includes:		
Access investment	637	525
Financial support investment	163	152
Support for disabled students	62	60
Research and evaluation investment	74	58
	936	795

The University's Access and Participation plan is available at www.rau.ac.uk/royal-agricultural-university-access-agreements-and-access-and-participation-plans.

	Software
	Consolidated and University £'000
11. Intangible assets	
Cost	
At 1 August 2022	1,391
Additions	87
Disposals	(35)
At 31 July 2023	1,443
Accumulated amortisation	
At 1 August 2022	1,101
Charge for the year	118
Disposals	(35)
At 31 July 2023	1,184
Net book value	
At 31 July 2022	290
At 31 July 2023	259

Notes to the Financial Statements for the year ended 31 July 2023

	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 2022	37,393	2,615	40,008
Additions	261	394	655
Disposals	(133)	(163)	(296)
At 31 July 2023	37,521	2,846	40,367
Consisting of:			
Valuation as at 1 August 2014	31,544	-	31,544
Cost	5,977	2,846	8,823
At 31 July 2023	37,521	2,846	40,367
Accumulated depreciation			
At 1 August 2022	5,522	1,920	7,442
Charge for the year	665	274	939
Disposals	(24)	(163)	(187)
At 31 July 2023	6,163	2,031	8,194
Net book value			
At 31 July 2022	31,871	695	32,566
At 31 July 2023	31,358	815	32,173

Notes to the Financial Statements for the year ended 31 July 2023

	At 31 July 2023	At 31 July 2022
	Consolidated and University £'000	Consolidated and University £'000
13. Heritage assets		
Heritage assets at valuation	553	604

The latest independent valuation was performed in October 2020 by Forum Auctions and Dreweatts.
The £51,000 movement reflects books written down.

	Subsidiary Companies	Investment in Stocks and Shares	Total
	£'000	£'000	£'000
14. Investments			
Consolidated			
At 1 August 2022	-	2,258	2,258
Loss on investment	-	(40)	(40)
At 31 July 2023	-	2,218	2,218
	£'000	£'000	£'000
University			
At 1 August 2022	2,550	2,258	4,808
Loss on investment	-	(40)	(40)
At 31 July 2023	2,550	2,218	4,768

The non-current investments have been valued at market value plus development costs where applicable.
The shares valuation was based on the closing price on the London Stock Exchange at 31 July 2023.
There were no movements in stocks and shares in the year to 31 July 2023 other than revaluation (2022: £nil).

Notes to the Financial Statements for the year ended 31 July 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
15. Stock				
Farm stocks	260	260	194	194
Finished goods	71	68	62	62
General consumables	56	26	33	12
Land for development	2,483	-	2,500	-
	2,870	354	2,789	268

On 6 October 2020, the Royal Agricultural University transferred investment property to its subsidiary company, the Royal Agricultural College Limited. The land is being held by the 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 £246,000 (2022: £178,000), vineyard crop £13,000 (2022: £11,000) and other farm stocks £1,000 (2022: £5,000).

	Consolidated £'000	University £'000	Consolidated £'000	University £'000
16. Trade and other receivables				
Amounts falling due within one year:				
Trade receivables	917	809	460	273
Prepayments and accrued income	701	700	743	727
Amounts due from subsidiaries	-	852	-	476
	1,618	2,361	1,203	1,476

	Consolidated £'000	University £'000	Consolidated £'000	University £'000
17. Creditors: amounts falling due within one year				
Trade payables	592	576	411	407
Social security and other taxation payable	245	245	288	288
Accruals and deferred income	3,186	3,145	2,437	2,393
	4,023	3,966	3,136	3,088

Notes to the Financial Statements for the year ended 31 July 2023

	At 31 July 2023	At 31 July 2022
	Consolidated and University £'000	Consolidated and University £'000
18. Creditors: amounts falling due after more than one year		
Secured loans	-	-
	-	-
Analysis of secured loans:		
Due within one year or on demand (note 17)	-	-
Due between one and two years	-	-
Due after more than one year	-	-
Total secured loans	-	-

	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 2022	7,428	78	7,506
Increase in provisions	478	4	482
At 31 July 2023	7,906	82	7,988

Notes to the Financial Statements for the year ended 31 July 2023

	Year ended 31 July 2023	Year ended 31 July 2022
	Consolidated and University £'000	Consolidated and University £'000
20. Endowment reserves		
Restricted net assets relating to endowments are as follows:		
Capital	2,361	2,479
	2,361	2,479
Expenditure	(80)	(48)
Revaluation	(34)	(70)
Total endowment comprehensive expense	(114)	(118)
At 31 July	2,247	2,361
Represented by:		
Capital	2,247	2,361
At 31 July	2,247	2,361
Analysis by type of purpose:		
Scholarships and bursaries	2,247	2,361
Analysis by asset:		
Marketable securities	2,247	2,361

	Consolidated and University £'000	Consolidated and University £'000
21. Restricted reserves		
Reserves with restrictions are as follows:		
At 1 August 2022	–	–
New donations	157	179
Restricted income	157	179
Approved expenditure	(157)	(179)
Total restricted comprehensive income/(expenditure) for the year	-	-
Transfer to income reserves as funds not restricted	–	–
At 31 July 2023	-	-

Notes to the Financial Statements for the year ended 31 July 2023

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
22. Share Capital				
Alloted, called up and fully paid				
120 (2022: 120) ordinary shares of £10 each	1	1	1	1

The ordinary shares each carry one voting right.

	At 1 August 2022	Cash flows	At 31 July 2023
	Consolidated £'000	Consolidated £'000	Consolidated £'000
23. Analysis of changes in net debt			
Included in current assets: cash and cash equivalents	2,920	767	3,687
Included in Creditors: amounts falling due in one year	-	-	-
Cash and cash equivalents	2,920	767	3,687
Loans due in one year	-	-	-
Loans due after one year	-	-	-
	2,920	767	3,687

Cash and cash equivalents includes the bank account balances of endowment restricted reserves of £128,000 (2022: £208,000).

	At 31 July 2023	At 31 July 2022
	Consolidated and University £'000	Consolidated and University £'000
24. Capital commitments		
Provision has not been made for the following capital commitments:		
commitments contracted	385	-

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 (2022: £1,522,000).

Notes to the Financial Statements for the year ended 31 July 2023

			At 31 July 2023	At 31 July 2022
	Land and Buildings	Plant and Machinery	Total	Total
Consolidated and University	£'000	£'000	£'000	£'000
26. Lease obligations				
Payable during the year	462	118	580	592
Future minimum lease payments due:				
Not later than 1 year	462	79	541	506
Later than 1 year and not later than 5 years	335	66	401	733
Later than 5 years	6	-	6	41
Total lease payments due	803	145	948	1,280

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 2023.

There was one full time employee (2022: 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 2022.

The notional cost of facility time was £3,193 (2022: £5,766) and, with a total pay bill of £9,761,000 (2022: £9,784,000), the percentage of this spent on facility time was small at 0.03% (2022: 0.06%) and the total paid facility time on activities was 0%.

Notes to the Financial Statements for the year ended 31 July 2023

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 (GPP) 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 HEI is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- » employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy);
- » total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

Notes to the Financial Statements for the year ended 31 July 2023

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year to 31 July 2023 amounted to £495k (2021/22: £609k).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The HEI has accounted for its contributions to the scheme as if it were a defined contribution scheme. The HEI has set out above the information available on the scheme.

Contributions amounting to £43k were payable to the scheme at 31 July 2023 (31 July 2022: £48k) and are included within creditors.

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 2022 - 31 Jul 2023	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
Last actuarial valuation	2021
Investment returns per annum	4.10%
Market value of assets at last valuation date (RACPS £millions/TPS £billions)	20.9
Funding % of accrued benefits covered by the actuarial value of assets	64%

Notes to the Financial Statements for the year ended 31 July 2023

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:

		2023	2022
		£'000	£'000
Defined benefit schemes:	TPS	495	609
		495	609
Defined contribution schemes:	GPP: Aegon	22	20
	GPP: Friends Life	219	181
		241	201
Total Pensions Cost as Note 8 Staff Costs		736	810
		£'000	£'000
Analysed as:	Current service	736	810

The cash contributions paid by the employer to the RACPS in respect of past service deficit is £300,000 (2022: £107,000).

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 2023 £43,000 contributions were due to the TPS (2022: £48,000), £2,000 to Aegon (2022: £2,000) and £18,000 to Aviva (2022: £17,000). These sums, relating to July 2023 payroll, were paid in August 2023.

Reconciliation to Balance Sheet (RACPS and FSSU)

	2023	2022
	£'000	£'000
Fair value of Scheme assets	15,386	21,252
Present value of Scheme liabilities	(23,292)	(28,680)
Total pension deficit	(7,906)	(7,428)

Notes to the Financial Statements for the year ended 31 July 2023

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 2023.

	2023	2022
	£'000	£'000
RACPS	(7,883)	(7,399)
FSSU supplemental scheme	(23)	(29)
Total deficits	(7,906)	(7,428)

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.

	2023	2022
	£'000	£'000
At the beginning of the year	21,252	21,390
Contributions by University	300	107
Benefits paid	(1,171)	(1,048)
Expected return on assets	661	313
Actuarial gains	(5,656)	490
At the end of the year	15,386	21,252

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

	2023	2022
	£'000	£'000
At the beginning of the year	(28,680)	(36,099)
Interest cost	(896)	(533)
Past service cost	-	-
Benefits paid	1,180	1,057
Actuarial gains	5,104	6,895
At the end of the year	(23,292)	(28,680)

Notes to the Financial Statements for the year ended 31 July 2023

30. Pensions (cont.)

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

		2023	2022
Discount rate		4.92%	3.19%
Rate of inflation (RPI)		3.17%	3.33%
Rate of inflation (CPI)	Pre 2030	2.47%	2.63%
	Post 2030	3.17%	3.33%
Pension increases	Pre 97 pension	3.00%	3.00%
	97-03 pension (RPI max 5% min 3%)	3.66%	3.66%
	03-05 pension (RPI max 5%)	3.05%	3.24%
	Post 05 pension (RPI max 2.5%)	2.09%	2.25%
Demographic assumptions	Mortality base table	S3PxA	S3PxA
	Projection basis	101%(m)/103%(f)	101%(m)/103%(f)
		CMI 2022 1.00%	CMI 2021 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

	2023	2022
Male currently 45	87.10	87.70
Female currently 45	89.60	90.10
Male currently 65	86.10	86.70
Female currently 65	88.50	88.90

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

	2023	2022
	Consolidated and University £'000	Consolidated and University £'000
Property	-	3,636
Multi asset funds	6,818	6,620
Credit funds	1,216	2,632
Infrastructure funds	3,104	3,015
LDI	3,940	4,792
Annuities	139	164
Cash and liquidity funds	169	393
Total market value	15,386	21,252

Notes to the Financial Statements for the year ended 31 July 2023

30. Pensions (cont.)

The discretionary FSSU supplementation scheme holds no assets and its deficit has been based on an actuarial valuation at 31 July 2023. The assumptions having the most significant effect on the calculation of the provision are that future inflationary increase rates will average 3.17% RPI (2022: 3.33%) per annum.

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

	2023	2022
	£'000	£'000
Deficit in schemes at start of year	(7,428)	(14,709)
Contributions	309	116
Other finance costs interest charge applied (note 9)	(235)	(220)
Actuarial gain in the statement of changes in reserves	(552)	7,385
Deficit in schemes at end of year	(7,906)	(7,428)

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	661	313
Interest on liabilities	(896)	(533)
Net interest charge applied	(235)	(220)

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

	£'000	£'000
Actual return less amount already recognised in net interest	(5,656)	490
Actual return Other actuarial gains amount already recognised in net interest	5,104	6,895
Actual (loss)/gain recognised in statement of changes in reserves	(552)	7,385

Notes to the Financial Statements for the year ended 31 July 2023

31. Accounting estimates and judgements

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

Bad debt

When calculating bad debt provisions, estimates are made taking into account historical experience, current trends and other relevant factors.

Stock provision

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in the income statement.

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 £665,000 (2022: £656,000).

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'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 2023

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 to the pension scheme at the year end 31 July 2023 was £Nil (2022: £Nil). The amount owed by Royal Agricultural University to the Life Cover Trust at the year end was £Nil (2022: £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.

The University made a payment of £227,707 (2022: £183,633) to Kemble Farms.

(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 £5,000 (2022: £2,000). Normal business sales to the RAC Beagles amounted to £16,000 (2022: £12,000). 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 £239,000 (2022: £192,000) and supplied goods and services to the Students' Union to the value of £Nil (2022: £43,000). 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 2023, the University received no tuition and accommodation income (2022: £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 2023 (2022: £Nil).

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