ANNUAL REPORT

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST JULY 2023

THE TIMES THE SUNDAY TIMES GOOD UNIVERSITY GUIDE 2024 — TOP 10 FOR TEACHING QUALITY

TEF 2023 — Overall: **Gold**; Student experience: **Gold**; Student outcomes: **Gold** — Teaching Excellence Framework

POSTGRADUATE TAUGHT EXPERIENCE SURVEY

97% of graduates in employment, further study or purposeful activity

Graduate Outcomes 2023

Contents


NSS
#1
University for Academic Support
NSS 2023, English Universities

VICE-CHANCELLOR'S REPORT

As Hartpury celebrates 75 years of providing excellent education and training to land-based and sports students I reflect on my first year as Vice-Chancellor of this unique and special institution. 2022/23 has been another successful academic year in terms of student experience and outcomes and in continuing to build a strong foundation to support our future ambitions. I have been impressed by the commitment and loyalty of our students and staff and the drive towards ensuring Hartpury is the best it can be.

Hartpury has continued to develop and grow. Once again, we have seen a record increase in student numbers, whilst maintaining a focus on the quality of student outcomes and the student experience. In The Times and Sunday Times Good University Guide 2023, Hartpury was ranked 6th in the UK for Teaching Quality and 1st in the South West which places us in the top 5% in the UK. And in the recent Graduate Outcomes survey, Hartpury was ranked the best University in the South West and in the top 10% of all UK Universities for Graduate Employability. Students are at the centre of everything at Hartpury and we have retained our Matrix Accreditation, demonstrating the high quality of information, advice, and guidance (IAG) we give to our 4,500-strong student population.

We also continue to develop and widen our wellbeing services and support to students and staff who face physical and mental health challenges. We have partnerships with key local charities and support groups to provide a breadth of offer and we regularly hold workshops with advocates in this arena including successful sporting role models. In recognition of our commitment to the improvement and development of better practice in mental health we were delighted to be named as one of the first five universities to receive a University Mental Health Charter from Student Minds.

Our outcomes have continued to be high with a 100% pass rate for A Levels, BTEC Levels 2 and 3. In HE achievement remained strong with Good Honours at 67.4%. Our National Student Survey outcomes rank Hartpury as the top University for Academic Support and in the top 10 for teaching, learning opportunities and assessment and Feedback. To add to the success in 2022/23 we have retained our TEF gold status overall and for student experience and student outcomes.

Our financial performance in 2022/23 has exceeded budget and we continue to be cash generative. However, the UK economy is under pressure and the future underlying trend is for lower surpluses reflecting the challenges that all universities and colleges face, with high inflation on goods, services and wages combined with static or near static funding per student for many years. Whilst our continued growth in student numbers is assisting with our financial position, the lack of movement in funding rates per student, particularly in Higher Education, is proving to be a real challenge in the sector.

We have responded positively to the economic issues that our students face. In consultation with our Students' Union have made support and advice available to assist with budget planning and we have supported money saving initiatives, both on site within our catering outlets and off site through schemes run by local charities and supermarkets. We have also reviewed our bursary schemes to ensure that funds reach those students most at need.

We continued to utilise our limited available cash, combined with external grant funding to increase and improve our student facilities during 2022/23. Work on our University Learning Centre continues which is due for handover later in 2023 ready for Semester 2. To meet our growing needs, we have invested over £4.4m in providing a new power supply to site which will future proof our power needs and provide the infrastructure to enable us to better utilise power generated on-site from sustainable sources in the future. This has been funded mainly from our cash reserves supplemented by external grants. We have also developed a new Equine Therapy facility with a state-of-the-art Water Treadmill and utilised Skills Development Funding to develop a Digital Studio within Agriculture which provides students with access to the latest agri-technology and precision farming through Virtual Reality and Simulators.

We have built on our breadth of offer and focus on industry to enable us to extend our reach locally and regionally. In 2022/23, we have worked with four District Councils to secure approximately £500k from the UK Shared Prosperity Fund to provide support to local employers in both agriculture and sport to increase their access to innovation and provide business centred support.

Research and Knowledge Exchange continue to expand and have a positive impact within Hartpury University. Following on from our successful submission to the 2021 Research Excellence Framework, research activity continues to grow with overall income in 2022/23 exceeding £1m for the first time, compared to just £20k in 2018. Significant research projects in both Sport and Equine are raising our profile. Knowledge Exchange activities continue to grow and we are now a registered Knowledge Base for Innovate UK. The second publication of the Knowledge Exchange Framework ranked Hartpury as the top specialist STEM university for local growth and regeneration. These successes have led to a number of awards recognising our achievements culminating in an invitation to the Royal Society's annual Summer Science Exhibition to showcase our Clem Burke Drumming Project.

In the sporting arena our Women's teams have been particularly strong in 2022/23, with highlights including:

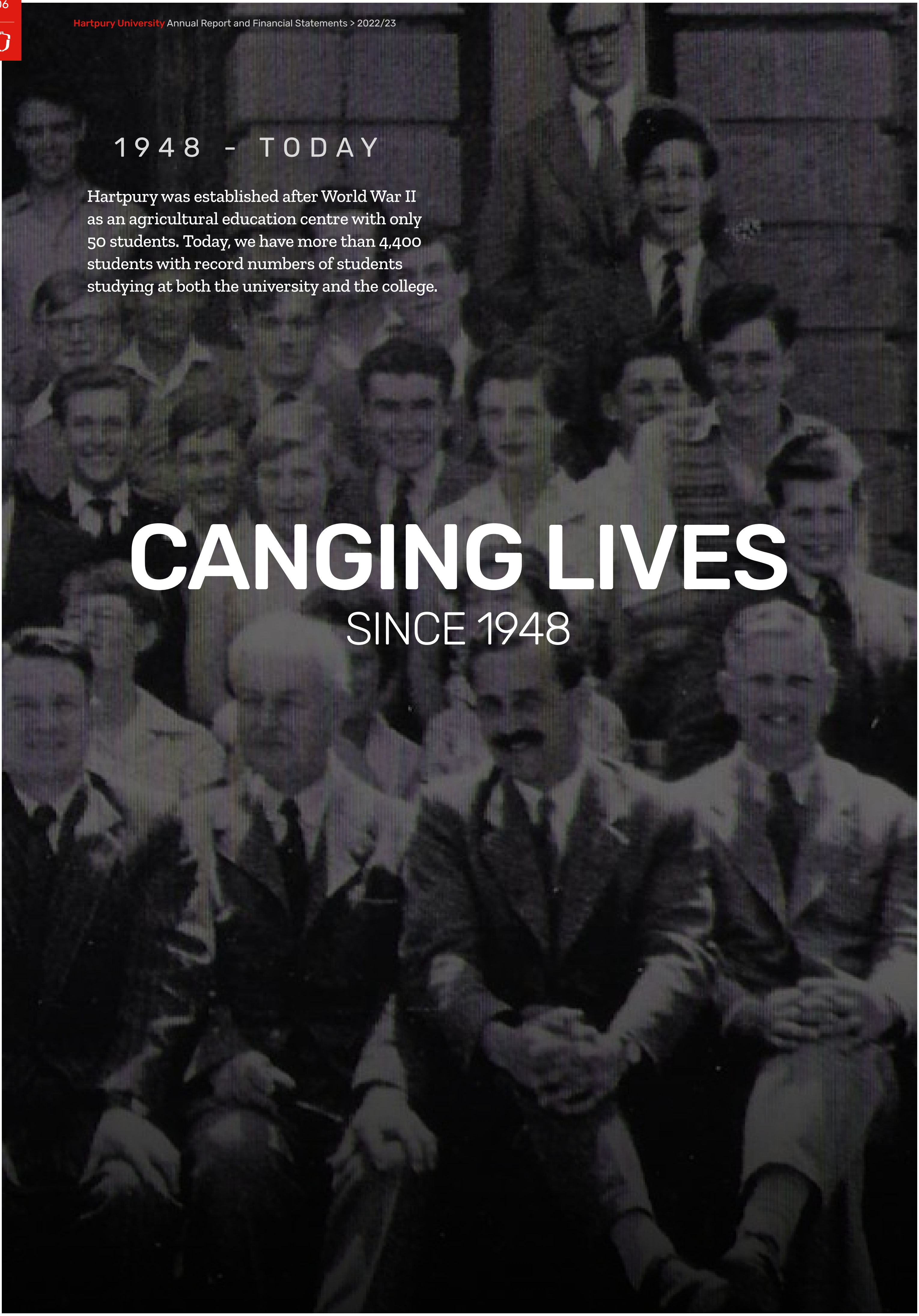
- 11 of the 32 England football squad members and 11 of the 32 Wales squad members for the Women's Football World Cup had connections to Hartpury.
- Our Women's futsal team were British Universities & Colleges Sport (BUCS) Futsal Southern Premier League champions and our college team were Association of Colleges (AoC) Southern League champions and AoC National Premier Cup winners.
- Our College Netball Team were Association of Colleges (AoC) Southern Premier League Champions and won the AoC Sport National Championship Knockout Cup and our University Netball Team were BUCS Conference Cup Champions.
- Our Women's BUCS Rugby team won the National League Trophy and our College team were AoC National Champions. And to round off a fantastic year, our Gloucester-Hartpury Women's Rugby Team were crowned Alliance Premier 15s league champions, the top echelon of Women's rugby in England, with 13 current and former students in the squad. This demonstrates the depth and success of our well-established rugby pathway and it is good to see many students, staff and alumni playing at the top of their game as well as working in coaching and vital support roles.

Looking forward, we are well underway with our consultation process to develop our Strategy to 2030. We have adopted an inclusive process to engage all our staff, students and key external stakeholders to help shape the future of Hartpury and to continue to facilitate strong growth supported by strong financial performance.

I have very much enjoyed my first year at the helm at Hartpury and look forward to what I'm sure will be an exciting future.

Andrew Collop

Professor Andy Collop
Vice-Chancellor



1948 - TODAY

Hartpury was established after World War II as an agricultural education centre with only 50 students. Today, we have more than 4,400 students with record numbers of students studying at both the university and the college.

CANGING LIVES

SINCE 1948

1990

Hartpury remained relatively unchanged until 1990, when a new Principal and Board of Governors initiated a rapid expansion programme, starting with the provision of a larger variety of college courses.

1992

The first higher education degree in Equine Studies was introduced in 1992, followed by the first degree programme in Equine Science in 1994. In 1999, the first Masters degree programme opened.

2017

In 2017, Hartpury was granted 'Taught Degree Awarding Powers' (TDAP) and University status in September 2018. This provides us with the independence to grow and further strengthen our higher education offering.

Hartpury has had the acorn as its symbol for over 20 years. More than just a reflection of the beautiful countryside that surrounds us, it symbolises the potential that lies within us all.

Hartpury provides everything the acorn will need to grow - the best facilities, the best staff and the best environment to support students' ability to grow strong.

Hartpury University (University) heads a group of related subsidiaries including a Designated Further Education Institution, Hartpury College. This corporate structure is unique and ensures that the Further Education provision which is a key part of Hartpury's history is both protected and nurtured as s cornerstone of Hartpury's wider educational offer.

MISSION, VISION AND VALUES

MISSION

The University's mission as approved by the Governors is:

"Hartpury University will be a specialist provider delivering relevant, effective and high-quality education and training for employment in land based, sports and allied industries; locally, regionally, nationally and internationally."

VISION

As Hartpury University and Hartpury College, two outstanding specialist organisations side-by-side on one campus, with a shared mission and set of values, we will be well-positioned to meet national priorities including those raised within the government's Industrial Strategy. Hartpury's organisational structure strengthens our position as a leader in the delivery of high-quality applied education and research.

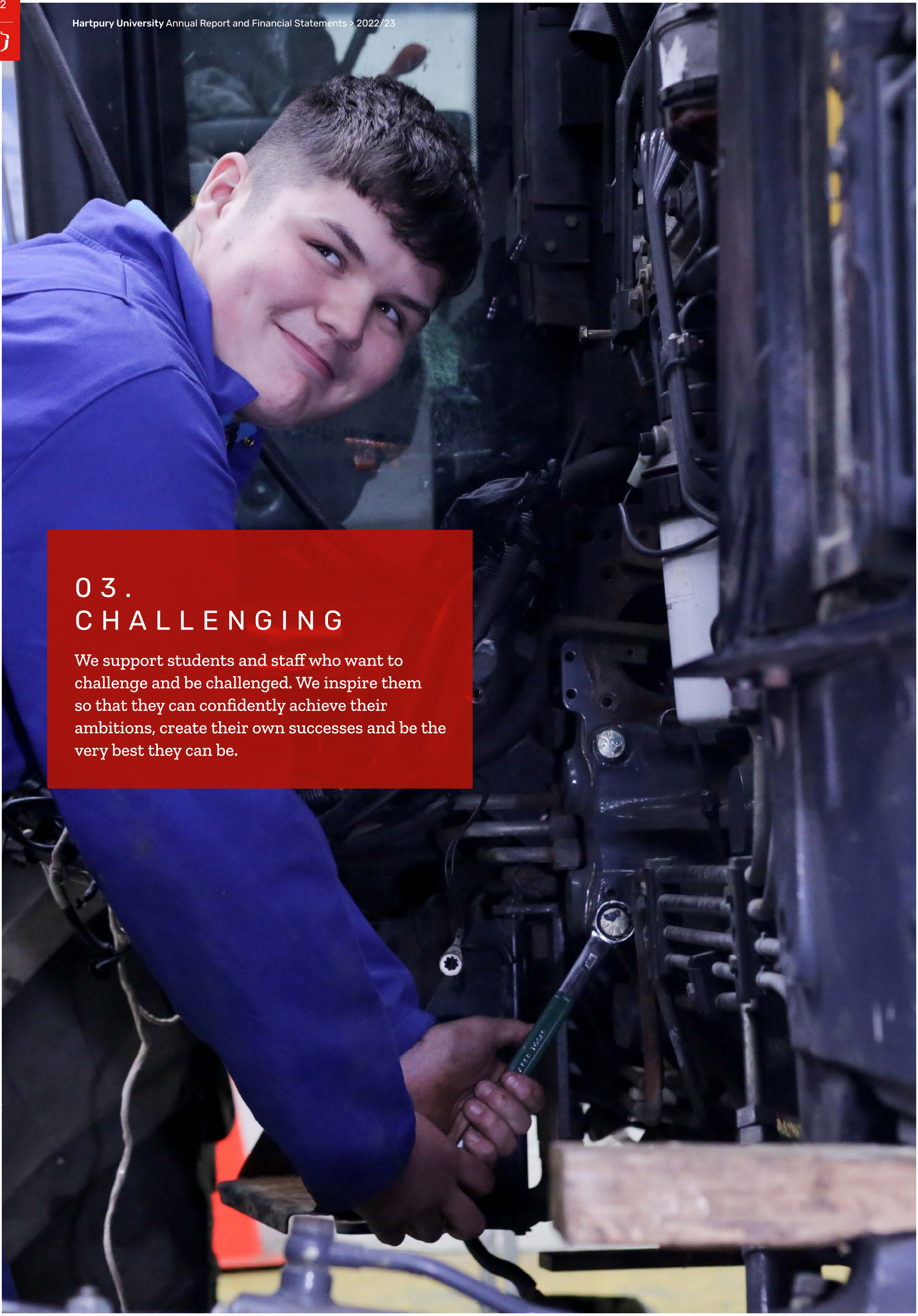
VALUES

01. EXCELLENCE

We strive to achieve the highest quality in every aspect of our work. We expect and achieve high standards from our students and staff, whilst providing a learning experience that is truly first class.

02. PASSIONATE

We strive to achieve the highest quality in every aspect of our work. We expect and achieve high standards from our students and staff, whilst providing a learning experience that is truly first class.



03. CHALLENGING

We support students and staff who want to challenge and be challenged. We inspire them so that they can confidently achieve their ambitions, create their own successes and be the very best they can be.

04. NURTURING

People are the centre of everything we do, with our students at the heart of our community. We invest in our people, support their development and encourage them to reach their full potential.

05.
RESPECTFUL

Inclusivity underpins our organisation; we respect and celebrate equality and diversity. We seek to create a community in which all of our staff, students and partners thrive and feel proud to belong.

2025 Strategy

The 2025 strategy reflects the impact of university status, the improving demographics over the period of the strategy and the need to continue to invest in the site to grow and improve facilities.

The strategy reflects the increasing demand for places at Hartpury in the University and the College and the need to attain an optimum size to provide financial resilience. The need to meet the increasing demand is tempered by the reality of ensuring that the student experience remains positive and that all students have access to the best possible and most up to date facilities that can be offered.

The vision is to create a University with 2,500 undergraduates and up to 500 postgraduates, alongside a College with 2,000 students. Indications from the trend of recent recruitment and demographics are that this is achievable in the planned period. It does however require significant investment in the campus, both in creating new facilities and refurbishing existing facilities, to maintain and enhance the quality of the student experience and meet recruitment targets. Growth of this order can generate the income to fund the investment required.

Within the Strategy to 2025, Hartpury's strategic priorities are identified as:

Being the best we can be

Hartpury will be relentless in the pursuit of excellence, building upon its reputation as a world-class provider of specialist further and higher education.
To develop our high academic standards, we will:

- Retain our TEF Gold and our Ofsted Outstanding ratings
- Attain sector leading student satisfaction scores
- Contribute to new knowledge and transfer into practice, at national and international levels
- Continue to aim for the best possible student experience

Building strength through partnerships

Our development will be enabled through effective partnerships and collaborations with those who share our vision for the future.
As a result of effective partnerships, we will:

- Create Hartpury University and Hartpury College side by side on the same campus, with parity of esteem
- Work in partnerships with our students, staff and parents, supporting them to achieve their full potential
- Drive forward successful centres, to support the sharing of best practice and research in the agriculture, equine, animal and sports industries
- Contribute to economic and community development within our region
- Work closely with employers and industry to shape the specialist education we provide

Inclusive in all we do

We will create an inclusive and accessible environment that promotes respect for our students, staff and the wider community.
Through our culture and frameworks, we will:

- Pro-actively recognise and promote equality, diversity and wellbeing within our community
- Support Students from under-represented groups to access, succeed and progress at Hartpury
- Strive to achieve and sustain sector leading student and staff retention rates
- Commit to listening to the student and staff voice and utilising it to enhance activity

Financial Strategy

To align with the overarching strategy a financial strategy has been developed which underpins the forward financial plan. This Financial Strategy supports Hartpury aims by recognising the challenge of providing finance to enable growth whilst at the same time maintaining strong financial controls. The recent history of Hartpury has shaped the current balance sheet which forms the baseline for the financial strategy to fund these priorities. Against this background the financial strategy is to:

- Provide sufficient funds to enable curriculum maintenance and development
- Provide sufficient funds to maintain existing resources
- Enable the funding of future facilities
- Provide long term financial continuity and sustainability
- Manage financial risk

The aim of continuing to grow in a resource efficient manner defines the scope of future income and the broad portfolio of courses and related facilities. Continued growth and maintaining an outstanding student experience both require increased funds to invest in new capital projects while maintaining the existing infrastructure. Standing still in a highly competitive education market which continues to develop and evolve is not seen as an option.

The financial strategy should above all ensure the continued confidence of stakeholders to support Hartpury, be they funding agencies, the banks, employees, students or others.

Strategic Priority – Maximising efficiency

Whilst Hartpury is financially sound, there needs to remain a strong focus on ensuring that systems and processes work as effectively and efficiently as possible in order to generate surpluses and cash on an annual basis. The underlying systems and processes within Hartpury need to be reviewed to ensure that duplication of effort is minimised, IT solutions are used effectively to drive efficiency and that decisions are made with a view to ensure that the on-going financial implications are understood and accepted.

By ensuring that processes work more effectively and efficiently, better use can be made of resources both human and physical and thus ensure that there is more cash resource available to invest for the long term. To achieve this position Hartpury is embarking on a Continuous Improvement journey using Lean methodologies to improve efficiency.

Strategic Priority - Maximising capital grants and other capital funding

Hartpury has historically not been as successful as some of its competitors in attracting both grant and other funding to support capital developments. With continued pressure on government grants for developments there is a need to be more responsive and focussed when looking at government backed grant funding. Allied to this the ability to attract donations and funding from individual and charitable trusts will enable the pre-requisite 'match funding' required by most grants to be met.

The benefits of focussed attention to identify potential charitable donors to Hartpury are beginning to have a positive impact. Overall funding from charitable sources and alumni should not be regarded as a key provider of funds at this stage but rather as a means of potentially accelerating projects.

Strategic Priority – Continue to de-risk the financial position of Hartpury

The current major risks for Hartpury's financial position are the variability in the monthly cash flows over the financial year and the high level of debt burden that Hartpury carries. Clearly, continuing to recruit and grow student numbers and managing operating cost base are also key.

The cash reserves risk will be impacted by the first strategic priority above and with prudent cash management will ensure the cash position remains positive. With regard to debt levels, these remain high. Hartpury will continue in the long term, through the strong cash generation of the operations to aggressively reduce the debt level, as a percentage of income. The portfolio of debt held by Hartpury will continue to be reviewed and consideration will be given to re-financing to reduce debt servicing costs and further manage down the overall debt level.

Strategic Priority - Accumulation of cash reserves to enable planned facilities development

Although Hartpury continues to operate in a period of considerable uncertainty surrounding future funding, its diversified income stream reduces financial risk. The 40/60 split of FE and HE income, the low reliance on FE 19+ provision and substantial commercial and other income has, together with a strong financial control environment and the ability to make tough decisions when necessary, allowed Hartpury to withstand the impact of multiple funding cuts in FE since 2008. There are some consequences of this, notably pressure on salaries and a shortfall on maintenance of premises and facilities. However, the projections for cash generation over the period of the strategy remain positive.

Strategic Priority – To identify new funding to enable planned facilities development

To service the planned growth in student numbers a key part of the strategy is to continue to develop the site to accommodate more students, refurbish existing facilities and ensure that the campus continues to offer a learning experience which is outstanding.

As a cash generative operation Hartpury can contribute significantly to this strategy. However, to accelerate developments and to ensure that student experience is not negatively impacted as developments lag growth, external funding will be required to support the plans.

It is proposed to pursue two lines of external support to enable the delivery of the strategy to 2025. Grant funding will be sought to support the development of new learning and teaching facilities on site, to be supplemented by cash generated by Hartpury.

For facilities which generate income directly, new funding models will be pursued which enable the developments to be funded and run by others but enabling Hartpury students to benefit from these developments. This funding methodology could be utilised for both on campus and off campus accommodation developments.

Legal Status

Hartpury University was designated as a Higher Education Corporation and was awarded University title by Privy Council on 13th September 2018.

ONS Reclassification of Further Education Colleges

On the 29 November 2022, the Office for National Statistics (ONS) announced that further education colleges, sixth-form colleges and designated institutions in England ('colleges') were reclassified to the central government sector. This means that colleges and their subsidiary companies must now meet the overall requirements in HM Treasury's document, 'Managing Public Money' (MPM), and other related obligations.

The Corporation of Hartpury University as the group Company has received an assessment undertaken by the Board of Hartpury College on the impact of these changes on the College. Given the corporate structure within Hartpury the impact is less than for many colleges. Where necessary the Hartpury College Board have ensured that appropriate steps are in place to ensure the limited impact is understood, managed and reporting is taking place as required by the Department for Education and HM Treasury.

Key Performance Indicators

Key performance indicators are monitored across the whole University. Set out below are the key indicators that the Hartpury University Corporation have identified for regular monitoring. These are monitored and discussed throughout the University by governors and staff. Where indicators are below target, remedial action is discussed, action plans are developed and then implemented – progress against targets is then monitored on a regular basis. Where targets are exceeded in any one year, the targets for subsequent years will be realigned, wherever possible, in a programme of continuous improvement.

Outcome	Description	Strategic Priority	Metric	2020/21 Actual	2021/22 Actual	2022/23 Target	2022/23 Actual	2023/24 Target	2024/25 Target
We empower and support our students	Our graduates are employed in jobs that meet their aspirations	Be the best we can	Employment (FE)	95.6%	98%	98%	97%	98%	98%
			Employment (HE)	96%	97%	98%	97%	98%	98%
	Our students are engaged by their experience with us	Building strength through partnerships	Overall Student Satisfaction (FE)	96.3%	94%	97%	92%	98%	98%
			Overall NSS Student Satisfaction (HE)[1]	80.2%	86%	Top 25%	Aug 23	Top 25%	Top 25%
	Our students succeed in their studies	Be the best we can	BTEC Level 3 Distinction Profile (FE)	78%	72%	75%	65%		85%
			A-Level A* - C (FE)	92.9%[2]	79%	80%	61%		85%
			Good Honours (HE)	70%	70%	71%	Oct 23	72%	72%
	We believe in a fair academic experience & seek to reduce any gaps linked to student background or characteristics	Inclusive in all we do	Awarding gap for female / male (FE)	13.4%	8.8%	7%	Oct 23	5%	3%
			Awarding gap for female / male (HE)	22%	19%	17%	Oct 23	15%	13%
We empower and suport our staff	Our staff are happy at Hartpury	Building strength through partnerships	Staff survey (advocacy)	n/a[3]	90.6%	85%	90%	85%	85%
	We support our staff to provide an exceptional student experience	Building strength through partnerships	Teaching quality (FE)	n/a[4]	96%	97%	92%	97%	97%
			NSS Teaching quality (HE)	82%	86.5%	Top 25%	89.3% Top 10 in England	Top 25%	Top 25%
	We ensure parity in rewards for our staff	Inclusive in all we do	Gender Pay Gap	11.4%	11.5%	11%	9.3%	10.5%	10%
We are financially stable	We are growing	Be the best we can	Income	£42.2m	£48.5m	£49.9m	£52.02m	#£51.6m	#£52.9m
	We generate a surplus	Be the best we can	Surplus as % of Income	3.97%	5.49%	2.11%	4.55%	#2.6%	#2.4%
	We generate cash	Be the best we can	Cash generated from operations as % of income	15.78%	15.06%	9.61%	8.97%	#11.3%	#11.4%
	Our students don't drop out of their studies	Building strength through partnerships	% in-year drop-outs (FE)	7.2%	11.5%	10%	8%	8% (Feb figure, May figure tbc)	7%
			% in-year drop-outs (HE)	6.4%[6]	11%	9%	8.9%	8%	7%

HIGHLIGHTS

PROFESSOR MATT BELL

Professor Matt Bell, Hartpury University's Director of Agriculture, created a 'breeding index' for farmers to select dairy cows based on traits that are key to enhancing sustainability.

MAIDEN PREMIER WIN

13 former Hartpury University and Hartpury College students, staff and alumni helped Gloucester-Hartpury to secure a maiden Premier 15s title with a 34-19 win over Exeter Chiefs in June 2023.

INTERNSHIP

A Hartpury University student secured a year-long internship with Kentucky Equine Research in the United States following completion of her MSc Applied Equine Science. Iona Robinson will spend four months in Kentucky before moving to Florida to pursue more research activities into equine nutrition and exercise.

NEW DIGITAL STUDIO

A new Digital Studio was launched in May 2023, setting a new standard for agri-tech innovation and providing access to the latest in agri-technology and precision smart farming simulation.

WELLFEST 2023

Over 2,500 students headed to WellFest 2023, as the event celebrated its 10th anniversary. Taking place annually, WellFest highlights the range of health, safety, and wellbeing support services on offer for young people.

Principal Officers and Professional Advisors

The Vice-Chancellor (VC) is the Chief Executive and Head of the University. Under the terms of the Memorandum of Accountability and Assurance with the Office for Students (OfS), the VC is the Accountable Officer of the University, with a general responsibility for ensuring that all public funds are used properly and give value for money. As Accountable Officer, the VC advises the Corporation on its responsibilities under the Memorandum of Accountability and Assurance and has a duty to ensure that it discharges such responsibilities. The VC is required to advise the Corporation if any action or policy under consideration by the Corporation appears to be incompatible with the terms of the Memorandum of Assurance and Accountability. If the Corporation nonetheless chooses to proceed with such an action or policy, the VC is required to inform the Accounting Officer at OfS in writing of the action or policy. The VC may be summoned to appear before the Public Accounts Committee of the House of Commons.

Key management personnel

Key management personnel are defined as members of the University and College Leadership Team and were represented by the following in 2022/23:

Mr R Marchant
Vice-Chancellor, Principal and CEO,
to 31st August 2022

Professor A Collop
Vice-Chancellor, Principal and CEO,
from 1st September 2022;

Mrs L Forrester-Walker
Chief Operating Officer

Mrs R Scott-Ward
Deputy Vice-Chancellor

Ms C Whitworth
Deputy Principal
Further Education

Mrs L Worsfold
Deputy Principal Resources

Board of Governors

A full list of Governors is given on page 28 of this annual report and financial statements.

Mrs G Steels acted as Clerk to the Corporation.

Professional advisers

Financial statements auditors and reporting accountants	**Mazars LLP** 90 Victoria Street, Bristol BS1 6DP
Internal auditors	**TIAA** Artillery House, Fort Fareham, Newgate Lane, Fareham PO14 1AH
Bankers	**Lloyds** PO Box 1000, Corn Street, Bristol BX1 1ST
Solicitors	**Birketts** 141 – 145 Princes Street, Ipswich, Suffolk IP1 1QJ

Finance KPIs and performance

Financial Results

For the year ended 31 July 2023, the Group generated a surplus of £1,665,442 before other actuarial gains and losses and after taxation (2022: loss £1,549,689). The surplus is stated after depreciation charges of £101,932 (2022: £101,932) on inherited assets. The surplus on Total Comprehensive Income in 2022/23 includes a charge of £5,137,759 for pension costs (2022: £7,980,570), as per note 20.

The table below shows some key financial figures and ratios for the group and its predecessor organisation.

	2022/23	2021/22	2020/21	2019/20
Total income (£,000)	52,029	48,500	42,376	39,934
Surplus/(Deficit) before other gains and losses (£,000)	1,650	(1,078)	(1,251)	(715)
Income and expenditure unrestricted reserves (£,000)	27,131	22,311	(2,648)	794
General reserve to total income	52.0%	46.0%	(6.2%)	2.0%
Funding Body income as % of total	32.6%	33.4%	35.7%	32.5%
Staff Costs (£,000)	29,298	30,140	26,597	24,388
Staff Costs as a % of income	56.3%	62.1%	62.8%	61.1%
Staff Costs as a % of income	62.1%	62.8%	61.1%	52.0%

The Group has accumulated reserves of £29,481,076 and cash and short-term investment balances of £7,039,096. The Group's strategy is to accumulate cash balances to fund future capital projects.

Tangible fixed asset additions during the year amounted to £12,567,690. This was split between land and buildings constructed of £3,023,775, equipment purchased of £1,870,385 and assets under construction of £7,673,530.

The Group has four subsidiary companies as at the 31 July 2023, Rudgeley Services Limited, Limbury Limited, Hartpury Rugby Ltd and Hartpury College of Further Education. The principal activity of Rudgeley Services Limited is the provision of transport services to the University. Limbury Limited was previously a property development and rental company but did not trade during the year ended 31 July 2023. Hartpury Rugby Limited was incorporated on 2nd June 2017 and its principal activity is the provision of sporting services for Hartpury RFC and Gloucester Hartpury WRFC. Hartpury College of Further Education provides education and training funded by the Education and Skills Funding Agency. Any surpluses generated by the subsidiaries are transferred to the University under gift aid. In the current year, the surpluses generated were £44,669, £nil and £5,971 for Rudgeley Services Limited, Limbury Limited and Hartpury Rugby Limited respectively prior to any transfers to the University and taxation. Hartpury College of Further Education has traded since 1st August 2018 and has generated a surplus of £976,469 for the year ended 31 July 2023 prior to any transfers to the University and taxation.

Cash flows and liquidity

At £15.51m (2022 £9.16m) operating cash flow is more than adequate for operational requirements.

The University's total borrowing and its use of long-term fixed interest rates have been calculated to ensure a reasonable margin between the total cost of servicing debt and operating cash flow.

Reserves Policy

The University seeks to achieve a return on income of at least 3%. In this way it will increase reserves year on year thereby strengthening the balance sheet, reducing the level of gearing and ensuring ongoing compliance with bank covenants.
A healthy level of reserves will also mitigate any movements in the Pensions Reserve. The generation of retained surpluses will allow the accumulation of significant levels of cash for future investment in facilities.

Value for Money

When considering our strategy and values, one of the key considerations throughout is value for money. The Corporation, Vice-Chancellor, Executive Team and the Heads of Department consider value for money in all their decision-making processes.

We manage our finances to both provide value for money for students, whilst ensuring the long-term financial sustainability of the University. We are committed to being open and transparent about the income streams that we receive and how we spend them.

Our commitments to Value for Money (VFM) are to:

- simplify wherever possible.
- identify and eliminate process waste.
- avoid duplication of effort.
- cut out ineffective processes where safe to do so.
- redefine processes and roles and, critically, commission supporting technology.
- aim for consistency of processes and 'single source of truth' for data.
- implement appropriate changes to processes whilst challenging organisational boundaries.
- apply lean principles to new systems and processes.

To achieve good VFM, we seek:

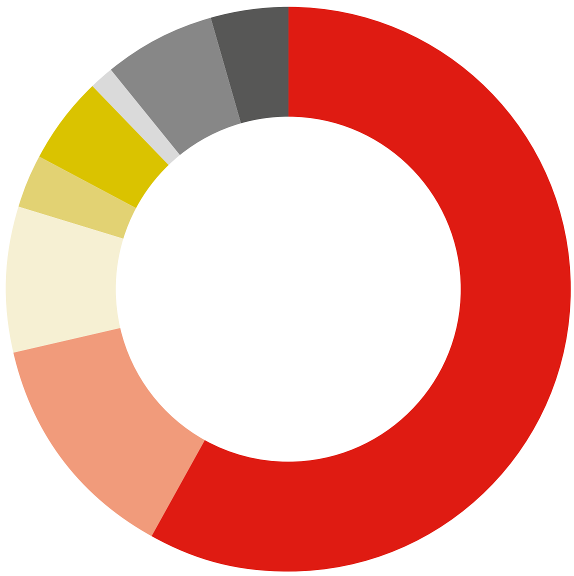
- to promote a culture of continuous improvement.
- to integrate VFM principles within existing planning and review processes and embed the pursuit of economy, efficiency and effectiveness within operational management.
- to ensure that all staff recognise their continuing obligation to seek VFM for the institution as part of their routine activities.
- to respond to opportunities to enhance the economy, efficiency and effectiveness of activities and adopt recognised good practice where this makes sense.
- to actively demonstrate, to both internal and external observers, that the achievement of VFM is sought in all activities undertaken.
- to procure goods and services in the most sustainable economic way possible.

The University spends its income on running its academic departments, providing academic support (such as library, transport and bursaries), management and administration, maintaining its buildings and other facilities, providing residences and catering for students and running its farm and equine departments. Staff costs represent more than half of the College's total expenditure and these are tightly controlled each year.

For the year ended 31 July 2023, the Group generated a surplus of £1,666,527 (2022 £1,548,368 (loss)) before other actuarial gains and losses and taxation and generated cash from operations of £15.51m (2022 £9.16m). Capital expenditure on facilities totalled £12.57m (2022 £15.74m) during the year.

Income	£'000
Funding Body Teaching Grants	16,955
Tuition Fees	21,365
Other Income (incl. Catering, Accommodation, Farm and Equine)	13,709
Total Income	**52,029**

How we spend our money	£'000
Staff Costs	29,298
Buildings & Equipment	6,698
Administration and Central Services	4,192
Academic Departments	1,601
Bursaries	2,472
Marketing	784
Catering, Transport & Residencies	3,223
Equine/Farm	2,111
Total Costs	**50,379**



Key Risks and Uncertainties

The University continues to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the University's assets and reputation.

Based on the strategic plan, the Risk Management Group undertakes a comprehensive review of the risks to which the University is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the University. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the University or changes to the external environment.

The University maintains a risk register which is reviewed at each Audit and Risk Management Committee meeting. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the University and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is underpinned by operational Risk Registers held within each department of the University.

Outlined below is a description of the principal risk factors that may affect the University. Not all the factors are within the University's control. Other factors besides those identified below may also adversely affect the University.

1. Recruitment and retention of students in an increasingly competitive environment

Failure to achieve recruitment and retention targets and planned student numbers leading to income targets not being achieved, impacting on Hartpury cash flows and ability to invest in facilities.

This risk is mitigated in a number of ways:

- By ensuring the University is rigorous in delivering high quality education and training.
- Targets set for recruitment and retention are monitored monthly.
- Reporting on KPIs at Corporation and Quality Enhancement and Standards Committee, management accounts to Strategy, Finance and Resources Committee.
- Appropriate monitoring and review embedded within the FE and HE Quality Cycle.
- Increase in marketing and conversion activity.
- Review of accommodation on site and transport routes to maximise recruitment.

2. Government funding

Major loss of funding or increase in delivery costs due to changing government priorities and policies. Inability to secure additional funding particularly capital funding due to changes in funding mechanisms and priorities and the ability for Hartpury to respond promptly to such changing circumstances.

This risk is mitigated in a number of ways:

- Funding is derived through a number of direct and indirect contractual arrangements.
- By ensuring the University is rigorous in delivering high quality education and training.
- Considerable focus and investment are placed on maintaining and managing key relationships with the various funding bodies.
- Ensuring the University focuses on priority sectors which will continue to benefit from public funding.
- The University has diversified its income stream across HE, FE and other commercial areas.
- Rigorous cost control to ensure the University delivers surpluses year on year, wherever possible.

3. Funding future capital expenditure

The University has invested more than £70m in its estate since incorporation as a College and demand continues to require more and improved facilities. The financial challenges facing the sector, together with the University's current level of borrowing means the availability of funds from external sources for capital projects is limited.

As a result, the University

- endeavours to aggressively pay down its loans to give headroom for new borrowing,
- has embarked on a strategy to accumulate cash reserves from operating surpluses and through philanthropic donations so that further residential accommodation and student facilities can be developed,
- is actively responding to all calls for capital funds from its funders.

4. Protection of Student Experience

Failure to be able to protect student experience as student numbers grow. As numbers increase there will be increasing demand on facilities within Hartpury, for example Learning Centres, study facilities and food and beverage outlets. Investment will be required in these assets plus in areas like IT infrastructure to ensure that the student experience is not impacted negatively.

This risk is mitigated by:

- Plans developed to grow and improve facilities and staffing levels to match growth in student numbers.
- Monitoring of student satisfaction and regular engagement with students throughout the year to gauge satisfaction and respond to concerns.

5. Potential impact of a Cyber Security breach

Failure to adequately protect the IT infrastructure to mitigate risks of cyber-attacks which results in loss of IT systems and/or a data breach.

This risk is mitigated by:

- Regular engagement with JISC and other agencies to ensure mitigations are current and responding to the latest attempted cyber breaches or successful attacks.
- Specific mitigations include:
  - Email filtering.
  - Staff training on cyber risk awareness being introduced, use of malware and anti-virus software on all laptops and PCs.
  - All servers have anti-virus/malware software and this automatically monitors for 'rogue' processes for file encryption and will terminate the process immediately.
  - Servers are checked nightly and where appropriate, patched with the latest patches.
  - Weekly vulnerability scans across our infrastructure.
  - Firewall is configured to manage both outbound as well as inbound un-approved traffic. This is also complemented using hourly updated blacklists for malware known internet sites.
  - Regular backups of all our information and weekly performed sample restore checks. Our backup system also has built in malware detection checks and will alert us if there is any ransomware present.

Payment Performance

Unless otherwise agreed, it is the University's policy to pay all its suppliers within 30 days of the end of the month in which it receives the invoice for goods or services or if later, after acceptance of the goods and services in question. These terms are published on the University's website.

Public Benefits statement

Hartpury University is an exempt charity under Part 3 of the Charities Act and is regulated by the Office for Students. The members of the Corporation, who are trustees of the charity, are disclosed on page 28.

In setting and reviewing the University's strategic objectives, the Corporation has had due regard to the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the University provides the following identifiable public benefits through the advancement of education:

- High-quality teaching.
- Widening participation and tackling social exclusion.
- Excellent employment record for students.
- Strong student support systems.
- Links with employers, industry and commerce.

Equality, Diversity and Inclusivity

Hartpury is committed to achieving universal acceptance and application of a working and learning environment free from harassment, intimidation and unlawful discrimination. It is also committed to taking positive action to promote such equality and diversity of opportunity in relation to recruitment (staff and students), promotion, training, learning, benefits, procedures and all terms and conditions of employment and all requirements that govern student regulations.

At Hartpury we are committed to valuing diversity and promoting equality. One of our Corporate Values is 'Respectful' and this means we create an inclusive and accessible environment that enables and promotes belonging and respect for staff, students and the wider community. We create an inclusive approach for both students and staff that promotes diversity, positive behaviours, builds effective relationships and enables all our students to develop and achieve the best possible outcomes. We value others for their contribution, irrespective of personal differences.

It is the obligation of all staff and students to respect and act in accordance with the Equality, Diversity & Inclusivity Policy and to actively promote it throughout their life at Hartpury.

Hartpury's commitment to Equality, Diversity and Inclusivity is:

- To confirm the commitment of Hartpury to the principle of equality, diversity and inclusivity for all.
- To ensure Hartpury complies with all laws and directives, relevant to equal opportunities and procedures are in place to clarify and support this intention.
- To create an inclusive environment where differences are celebrated and everyone is valued and respected.
- To ensure that Hartpury has a sound system monitoring and review of progress so that good practice is identified, issues addressed and a culture of equality and diversity is embedded in all aspects of the work of Hartpury.

Hartpury's Equality, Diversity & Inclusivity Policy together with other associated policies, our Single Equality Scheme and Equality & Inclusivity Objectives are published on Hartpury's website and Intranet site.

The Equality, Diversity & Inclusivity Policy will be resourced, implemented and monitored on a planned basis. Our action plans and objectives are updated regularly and monitored by managers and governors.

Hartpury has Disability Confident Employer status and has committed to the principles and objectives of this standard. The University considers applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee or student becomes disabled, every effort is made to ensure that employment and learning with the University continues. The University's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

In December 2022, Hartpury was one of the first of five universities to be award the Student Minds University Mental Health Charter. We have achieved the Gloucestershire Inclusive Employer Award which highlights our commitment to supporting a diverse and inclusive workforce. Hartpury also has 'Mindful Employer Charter' status.

Disability statement

Hartpury encourages participation in its learning programmes by all sections of the community and the industries it serves. Hartpury will endeavour to ensure students with special educational needs and/or disabilities, including mental health, are able to follow a programme of study most suitable to their needs with appropriate support. This support will be monitored, reviewed and changed as necessary.

The Student Disability Policy complies with SEN Code of Practice 2015 and the Equality Act 2010. Hartpury's Equality, Diversity & Inclusivity Policy also states our commitment to ensure that no student receives less favourable treatment on the grounds of any physical or other disability. Hartpury will keep the policy and its implementation under review to ensure that appropriate support is given to students so they can achieve the learning goals or re-negotiate other appropriate learning outcomes within the duration of their course.

Hartpury is committed to responding to individual needs and will endeavour to ensure that all resources are accessible and available to all students throughout their learning journey. At interview and on admission, students will be eligible to receive the commitment outlined in the University Charter. An assessment of any help and support needed which relates to special educational needs / disability will also be conducted. If appropriate, Hartpury will seek professional recommendations, reports, or background evidence to establish the level of support required.

Within resource constraints, Hartpury will make every effort to provide reasonable adjustments to the campus, educational environment, including teaching rooms / timetables and accommodation to ensure a student's needs are met.

Disclosure of Information to Auditor

The members of the Board who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditor is unaware; and each member has taken all steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Approved by order of the members of the Corporation on 22 November 2023 and signed on its behalf by:

Edward Keene

Mr E Keene
Chair of Governors

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and financial statements of the University to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements. The University came into existence on 13 September 2018, with the conversion from a Further Education Corporation to a Higher Education Corporation from that date. The Further Education Corporation operated in accordance with the Code of Good Governance for Colleges as set out below.

The University endeavours to conduct its business:

- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- In full accordance with the guidance to colleges from the Association of Colleges in The Code of Good Governance for English Colleges ("the Code"); and the guidance to universities from the Committee of University Chairs – The Higher Education Code of Governance.

In the opinion of the Governors, the University either complies with or exceeds all the provisions within the Codes and it has complied throughout the year ended 31 July 2023. The Corporation recognises that, as a body entrusted with both public and private funds, it has a particular duty to always observe the highest standards of corporate governance. In carrying out its responsibilities, it takes full account of The Code of Good Governance for English Colleges issued by the Association of Colleges in March 2015, which it formally adopted in May 2015 and The Higher Education Code of Governance, updated September 2020 which it used to review its operation during the year and did not identify any areas of concern.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charities Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The University Corporation

Listed in the table below (Terms of office were aligned to terms of office for Hartpury College Corporation to support good practice in relation to length of overall term).

(Committee Key:
S&G - Search and Governance, QuESt – Quality and Enhancement of Standards, A&R Audit and Risk Management
SFR – Strategy, Finance and Resources, R&E – Remuneration and Employment)

Name	Date of Appointment or re-appointment*	Term of office	Status of appointment	Committees served	Attendance	Note
A Collop (Prof)	1 Sept 2012	Ex Officio	Vice-Chancellor & Principal	S&G, SFR, QuESt	94%	
E Keene (Chair)	1 Sept 2022	4 years		SFR, R&E, S&G	100%	
I Robinson (Prof)	1 Sept 2020	4 years		QuESt, A&R, R&E	93%%	
J Selby (Dr)	24 Mar 2019	4 years		QuESt, A&R	100%	End of Term 3 Aug 2023
C Moody	1 Sept 2020	4 years	Vice-Chair	S&G, R&E	100%	
H Hodgkins	1 Sept 2022	3 years		SFR, S&G	93%	
W Marshall	1 Sept 2022	3 years		SFR	100%	
T Legge	1 Sept 2022	4 years	Staff	QuESt	67%	
A Blackburn	15 Oct 2019	4 years	Co-opted	QuESt, S&G	83%	
S Bruce	1 Sept 2022	1 year	Student	QuESt	67%	
L Hammond	1 Sept 2022	4 years		A&R	100%	
P Robinson	1 Jan 2023	3 years			100%	Resigned 4 July 2023
University Board Overall Total Percentage Attendance					95%	

It is the Corporation's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Corporation is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Corporation meets each term, as a minimum.

The Corporation usually conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Corporation. These committees are as follows:

Strategy, Finance and Resources	(SFR)
Remuneration and Employment	(R&E)
Audit and Risk Management	(A&R)
Search and Governance	(S&G)
Quality Enhancement and Standards	(QuESt)

Full minutes of all meetings, except those deemed confidential by the Corporation, are available on the University's website at www.hartpury.ac.uk or from the Clerk to the Corporation at:

Hartpury University
Hartpury House
Hartpury
Gloucester
GL19 3BE

The Clerk to the Corporation maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

All governors can take independent professional advice in furtherance of their duties at the University's expense and have access to the Clerk to the Corporation, who is responsible to the Corporation for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Corporation as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on a regular basis.

The Corporation has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Corporation considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Accounting Officer are separate.

Appointments to the Corporation

Any new appointments to the Corporation are a matter for the consideration of the Corporation as a whole. The Corporation has a Search and Governance committee consisting of five members of the Corporation including the Vice-Chancellor and Principal, which is responsible for the selection and nomination of any new member for the Corporation's consideration. The Corporation is responsible for ensuring that appropriate training is provided as required.

Members of the Corporation are appointed for a term of office not exceeding four years. Members may be considered for re-appointment by the Search and Governance Committee – bearing in mind the need to balance renewal and corporate memory.

Corporation performance

Board performance

In 2021/22, as part of its commitment to reviewing and improving its performance the Board commissioned a Governance External Review by AdvanceHE. This was a comprehensive review which included completion of self-assessment surveys by governors and the senior management team, a number of focus groups, attendance at Board and Committee meetings, review of key governance processes and documentation and a governance workshop. Key findings of the Report (May 2022) were that:

"Governance is generally effective at Hartpury University and Hartpury College (Hartpury). Governors at Hartpury are clearly committed to the long-term success of the University and College and governance is enabled by a framework of practices, policies and processes.

Members of the governing boards and external stakeholders should be assured that the University and College is compliant with the regulatory requirements and that in all its essentials the University and College are adequately governed and effectively led."

The report also highlighted a number of recommendations to maintain and further develop governance which were taken forward by the Board through an action plan which was agreed complete at its July 2023 Board meeting.

The Board also continued to assess its performance through a range of internal mechanisms including 1:1 meetings between the Chair/Vice-Chair, Committee Self-Assessments and governors and regular review of performance indicators.

Board Development and Training

The Board is committed to its ongoing development as part of its commitment to the pursuit of excellence for the Board, the organisation and its students. During 2022/23 the Board maintained its practice of having a two-day Strategy and Development Event to consider strategic planning and governance development. This year this included sessions on governance and sector updates. The event as a whole engages governors in consideration of good practice, review, reflection, action planning and helps foster effective Board dynamics.

In addition, the Board has training and development sessions within its Board and Committee meetings. During 2022-23 Board sessions included: Safeguarding and Ofsted Inspection Framework. The Audit and Risk Management Committee had a session on Safeguarding in relation to risk management assurance. The Committee reports include benchmark and good practice data and reviews to support Committee ability to challenge and scrutinise the college's performance. Governors are provided with support in developing their understanding of these metrics with new governors on committees having development sessions with the Senior Management Team lead for the committee, for example an Understanding FE Finance and Funding session by the Chief Operating Officer.

Hartpury has in place a Governor Link Scheme to support governors in developing a richer understanding of Hartpury, provide an opportunity for triangulation and to "take the temperature" in relation to students and staff. Governors are linked to an academic or professional services area for a twelve-month period and update the Board on their visits.

New governors have comprehensive induction which includes attendance at Association of Colleges/Education Training Foundation Governor Induction, Clerk Induction session, Initial Meeting with the Principal and Chair, discussion of background to ongoing agenda items. Student Governors also attend national student governor training to support understanding of their role. The link governor for the Safeguarding area undertook comprehensive training to support the role. All governors have a mentor for their first year on the Board to support their development.

Governors are briefed through a number of mechanisms on sector and national developments. These include briefing reports/presentations from the Vice-Chancellor/Principal, updates from the Clerk and sector briefings such as the AoC, ESFA, OfS, GuildHE, AdvanceHE, DfE.

Governors also attend training and development relating to their role on the Board. During 2022/23 the Chair of the Audit and Risk Management Committee attended AoC networking events on Finance and Funding and the Chair and Vice-Chair of the QuESt Committee have attended AoC networking events and conference on quality and curriculum. A number of governors attend other AoC development events.

Governors complete Safeguarding and Prevent Training on induction and then at two yearly intervals.

The Board is supported by a Clerk who is a Fellow of the Corporate Governance Institute with experience in education, company, charity and NHS sectors. She is committed to regular Professional Development, supported by the Board. During 2022/23 she continued to be an active member of the AoC SW Governance Professional Network and is part of the group which plans the sessions. She attended the AoC SW Governance Conference. These events enable the Clerk to keep up to date with good practice and to share information, guidance and practice with the Board. She has attended development sessions on key issues for the sector, such as development of the Accountability Statement, Equality & Diversity and Board practice. She also attended a number of Governance Professional Workshops which focused on methods to support and embed good governance. The Clerk also keeps updated through briefings from ESFA, AoC, OfS, Advance-HE, GuildHE etc.

Remuneration and Employment Committee

Throughout the year ended 31 July 2023, the University's Remuneration and Employment Committee comprised three members of the Corporation. The committee's responsibilities are to make recommendations to the Board on the remuneration and benefits package of the Vice-Chancellor and Principal and other senior members of staff.

Hartpury University adopted the Committee of University Chairs (CUC) June 2018 Higher Education Senior Staff Remuneration Code in July 2018 and continues to operate in line with this and the OfS registration framework.

Details of remuneration for the year ended 31 July 2023 are set out in note 6 to the financial statements.

Audit and Risk Management Committee

The Audit and Risk Management Committee comprises three members of the Corporation and Co-opted Members. Membership does not include the Corporation Chair or Vice-Chancellor. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Audit and Risk Management Committee meets three times per year and provides a forum for reporting by the University's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of the University management. The Committee also receives and considers reports from the main HE funding bodies as they affect the University's business. The Committee also reviews risk management processes and risk following management review and advises the Corporation.

The University's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Management Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit and Risk Management Committee also advises the Corporation on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Corporation.

The Audit and Risk Management Committee attendance by its Board members was as follows:

	November	March	June
Lucie Hammond	P	P	P
Ian Robinson	P	P	A
David Seymour	P	P	P

(P – Present, A – Absent)

Members of management attended to present reports and provide information and the Internal and External Auditors. The Committee met without management being present at each of its meetings, in line with good practice.

The Strategy, Finance and Resources Committee

The Strategy, Finance and Resources Committee comprises six members of the Corporation including the Vice-Chancellor. The Committee operates in accordance with written terms of reference approved by the Corporation.

The Strategy, Finance and Resources Committee usually meets four times per year and ensures that annual estimates of income and expenditure and annual financial accounts are prepared for approval by the Corporation and that financial performance against these annual estimates of income and expenditure are adequately monitored on behalf of the Board of Governors, that statements of financial performance are presented to the Corporation on a regular basis and that appropriate action is taken on matters raised as a consequence of such reports.

The Committee also ensures that a capital budget is prepared for approval by the Board, against which projects can be prioritised and to assist the University in identifying necessary funding sources and strategies to undertake such projects and to recommend major capital resource developments for final approval by the Board.

Internal Control

Scope of responsibility

The Corporation is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Corporation has delegated the day-to-day responsibility to the Vice-Chancellor, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives. The Accounting Officer is responsible for ensuring that public funds and assets for which he is personally responsible are safeguarded, ensuring that the contractual responsibilities under its funding agreements and contracts with OfS and ESFA are met, in accordance with the responsibilities assigned to him in the Financial Memorandum between Hartpury University and the funding bodies. He is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of University policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Hartpury University for the year ended 31 July 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Corporation has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Corporation is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Corporation.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Corporation.

- Regular reviews by the Corporation of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.

Hartpury University has an internal audit service, which operates in accordance with the requirements of the OfS Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Corporation on the recommendation of the Audit Committee. At minimum, annually, the Head of Internal Audit (HIA) provides the Corporation with a report on internal audit activity in the University. The report includes the HIA's independent opinion on the adequacy and effectiveness of the University's system of risk management, controls and governance processes.

Review of effectiveness

As Accountable Officer, the Vice-Chancellor has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors.
- The work of the executive managers within the University who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the University's financial statements auditors, the reporting accountant for regularity assurance in their management letters and other reports.

The Accountable Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit and Risk Management Committee, which oversees the work of the internal auditor and other sources of assurance (and risk committee, if appropriate) and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

During 2022/23 there have been no significant internal control weaknesses or failures. The Internal Auditors did not raise any significant control concerns through their work in the period.

The Audit and Risk Management Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Corporation's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2023 meeting, the Corporation carried out the annual assessment for the year ended 31 July 2023 by considering documentation from the senior management team and internal audit and taking account of events since 31 July 2023.

Based on the advice of the Audit and Risk Management Committee and the Accounting Officer, the Corporation is of the opinion that the University has an adequate and effective framework for governance, risk management and control and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Approved by order of the members of the Corporation on 22 November 2023 and signed on its behalf by:

Edward Keene

Mr E Keene
Chair of Governors

Andrew Collop

Professor A Collop
Vice-Chancellor

Statement of governing body responsibilities in respect of the annual report and the financial statements

In accordance with the Education Reform Act 1988, the Board of Governors of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, the terms and conditions of registration with the OfS and the Board of Governors require the University, through its Accounting Officer the Vice Chancellor, to present financial statements for the financial year which give a true and fair view of the state of affairs of the University and the results and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors have ensured that:

- the going concern basis of accounting is appropriate;
- suitable accounting policies are selected and consistently applied;
- judgements and estimates are reasonable and prudent; and
- applicable accounting standards have been applied, subject to disclosure and explanation in the financial statements of any material departures therefrom.

The Board of Governors has taken reasonable steps to:

- fulfil its responsibilities under the Articles and to ensure that funds from the OfS and other publicly funded bodies, including research councils, are used only for the purposes for which they have been granted and in accordance with the registration terms and conditions issued by the OfS and any other conditions which it may from time to time prescribe;
- ensure that appropriate financial and management controls are in place to safeguard public and other funds;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control include:

- Board of Governors' approval of annual financial estimates of income and expenditure and monitoring of the financial performance of the University;
- A comprehensive set of financial regulations approved by the Board of Governors, which defines the responsibilities and delegated authority of management post holders and detail financial controls, policies and guidelines;
- A comprehensive planning and budgeting process, which integrates the preparation of annual income, expenditure and capital budgets;
- Clearly defined and formalised requirements for approval and control of expenditure.

Approved by order of the members of the Board of Governors on 22 November 2023 and signed on its behalf by:

Edward Keene

Mr E Keene
Chair of Governors

Independent auditor's report to the Corporation of Hartpury University

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Hartpury University ('the University') and its subsidiaries ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2023 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and 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 Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' 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's and 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 of Governors with respect to going concern are described in the relevant sections of this report.

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.

Responsibilities of Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 28, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate all or part of the University Group 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. 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.

Based on our understanding of the University Group and its operations, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

To help us identify instances of non-compliance with these laws and regulations and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the University Group is in compliance with laws and regulations and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the University Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pensions legislation and the OfS Accounts Direction

In addition, we evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension obligations, revenue recognition (which we pinpointed to the cut-off assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the Board of Governors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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.

Other Required Reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Governors' Report.

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated; or
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the Board of Governors as a body in accordance with paragraph 13(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors 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 Group and University and the Board of Governors as a body for our audit work, for this report, or for the opinions we have formed.

Signed: Mazars LLP

DRA Bott (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
90 Victoria Street, Bristol BS1 6DP
Date: 29/11/2023

Consolidated and University Statements of Comprehensive Income and Expenditure
Year ended 31 July 2023

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Group	University	Group	University
		£	£	£	£
INCOME					
Funding body grants	2	16,955,116	3,701,316	16,183,527	3,377,690
Tuition fees and education contracts	3	21,364,972	20,523,198	19,780,092	19,405,299
Other income	4	13,268,654	19,910,857	12,597,443	18,608,029
Investment income	5	718	397	(60,575)	397
Donations and endowments		440,000	-	-	-
Total income		**52,029,460**	**44,135,768**	**48,500,487**	**41,391,415**
EXPENDITURE					
Staff costs	6	29,298,004	20,928,546	30,139,869	22,522,478
Other operating expenses	7	16,237,309	16,525,667	15,201,061	15,518,258
Depreciation	9	3,438,999	3,523,500	2,980,688	3,125,188
Interest and other finance costs	8	1,404,758	1,404,758	1,257,167	1,257,167
Total expenditure		**50,379,070**	**42,382,471**	**49,578,785**	**42,423,091**
(Deficit)/Surplus before other gains and losses		**1,650,390**	**1,753,297**	**(1,078,298)**	**(1,031,676)**
(Deficit)/Surplus on disposal of assets		16,137	16,137	(470,070)	(470,070)
(Deficit)/Surplus before taxation		**1,666,527**	**1,769,434**	**(1,548,368)**	**(1,501,746)**
Taxation		(1,085)	-	(1,321)	-
(Deficit)/Surplus for the year after taxation		**1,665,442**	**1,769,434**	**(1,549,689)**	**(1,501,746)**
Actuarial (loss) in respect of pensions schemes	16/20	2,940,895	2,940,895	26,346,104	26,346,104
Total Comprehensive Income for the year		**4,606,337**	**4,710,329**	**24,796,415**	**24,844,358**
Represented by:					
Restricted comprehensive income		(111,773)	-	(60,972)	-
Unrestricted comprehensive income		4,718,110	4,710,329	24,857,387	24,844,358
		4,606,337	4,710,329	24,796,415	24,844,358
Surplus/(Deficit) for the year attributable to:					
Group		4,606,337	4,710,329	24,796,415	24,844,358
		4,606,337	4,710,329	24,796,415	24,844,358
Total Comprehensive Income for the year attributable to:					
Group		4,606,337	4,710,329	24,796,415	24,844,358
		4,606,337	4,710,329	24,796,415	24,844,358

The notes on pages 40 to 62 form part of these financial statements.
All activities relate to continuing operations.

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

	Income and expenditure		Revaluation reserves	Total excluding Non-controlling interest	Total
	Unrestricted	Restricted			
	£		£	£	£
Group **Balance at 31 July 2021**	(2,648,279)	1,018,175	1,708,428	78,324	78,324
(Deficit)/Surplus for the year	(1,488,717)	(60,972)	-	(1,549,689)	(1,549,689)
Other comprehensive income	26,346,104	-	-	26,346,104	26,346,104
Total comprehensive income for the year	24,857,387	(60,972)	-	24,796,415	24,796,415
Transfer between revaluation and income and expenditure reserves	101,932	-	(101,932)	-	-
Balance at 31 July 2022	22,311,040	957,203	1,606,496	24,874,739	24,874,739
Surplus for the year	1,777,215	(111,773)	-	1,665,442	1,665,442
Other comprehensive income	2,940,895	-	-	2,940,895	2,940,895
Total comprehensive income for the year	4,718,110	(111,773)	-	4,606,337	4,606,337
Transfer between revaluation and income and expenditure reserves	101,932	-	(101,932)	-	-
Balance at 31 July 2023	27,131,082	845,430	1,504,564	29,481,076	29,481,076
University **Balance at 31 July 2021**	1,881,651	-	1,695,758	3,577,409	3,577,409
(Deficit) for the year	(1,501,746)		-	(1,501,746)	(1,501,746)
Other comprehensive income	26,346,104	-	-	26,346,104	26,346,104
Total comprehensive income for the year	24,844,358	-	-	24,844,358	24,844,358
Transfer between revaluation and income and expenditure reserves	101,932	-	(101,932)	-	-
Balance at 31 July 2022	26,827,941	-	1,593,826	28,421,767	28,421,767
Surplus for the year	1,769,434		-	1,769,434	1,769,434
Other comprehensive income	2,940,895	-	-	2,940,895	2,940,895
Total comprehensive income for the year	4,710,329	-	-	4,710,329	4,710,329
Transfer between revaluation and income and expenditure reserves	101,932	-	(101,932)	-	-
Balance at 31 July 2023	31,640,202	-	1,491,894	33,132,096	33,132,096

Statement of Financial Position as at 31 July 2023

	Notes	Group 2023	University 2023	Group 2022	University 2022
		£	£	£	£
Non-current assets					
Tangible Fixed Assets	9	**72,485,328**	**77,950,084**	63,496,371	69,015,628
Investments	10	**-**	**202**	-	202
		72,485,328	**77,950,286**	63,496,371	69,015,830
Current Assets					
Stocks	11	**671,464**	**671,464**	670,008	670,008
Trade and other receivables	12	**2,400,989**	**2,391,068**	1,638,737	1,645,659
Cash and cash equivalents	17	**7,039,096**	**4,026,948**	3,987,948	2,273,462
		10,111,549	**7,089,480**	6,296,693	4,589,129
Less: Creditors – amounts falling due within one year	13	**(13,144,799)**	**(11,936,668)**	(12,346,173)	(12,611,040)
Net current liabilities		**(3,033,250)**	**(4,847,188)**	(6,049,480)	(8,021,911)
Total assets less current liabilities		**69,452,078**	**73,103,098**	57,446,891	60,993,919
Creditors – amounts falling due after more than one year	14	**(39,887,087)**	**(39,887,087)**	(30,147,628)	(30,147,628)
Provisions					
Defined benefit obligations	20	**-**	**-**	(2,327,000)	(2,327,000)
Other provisions	16	**(83,915)**	**(83,915)**	(97,524)	(97,524)
Total net assets		**29,481,076**	**33,132,096**	24,874,739	28,421,767
Unrestricted Reserves					
Income and expenditure account		**27,131,082**	**31,640,202**	22,311,040	26,827,941
Revaluation reserve		**1,504,564**	**1,491,894**	1,606,496	1,593,826
Restricted Reserves					
Income and expenditure account		**845,430**	**-**	957,203	-
Total reserves		**29,481,076**	**33,132,096**	**24,874,739**	**28,421,767**

The financial statements on pages 36 to 62 were approved and authorised for issue by the Corporation on 23 November 2022 and were signed on its behalf on that date by:

E Keene
Chair of Governors

Professor A Collop
Vice-Chancellor

Consolidated Statement of Cash Flows
Year ended 31 July 2023

	2023 £	2022 £
Cash flow from operating activities		
(Deficit)/Surplus from the year	**1,665,442**	**(1,549,689)**
Adjustments for non-cash items		
Depreciation	3,438,999	2,980,688
(Increase)/Decrease in stocks	(1,456)	(111,963)
(Increase)/Decrease in debtors	(762,252)	(495,890)
Increase/(Decrease) in creditors due within one year	299,314	2,168,017
Increase in creditors due after one year	8,978,217	719,996
(Decrease) in provisions	(6,714)	(7,692)
Pension costs less contributions payable	607,000	4,148,000
Adjustment for investing or financing activities		
Investment income	(718)	(397)
Interest payable	1,310,540	835,167
Loss/(Profit) on sale of fixed assets	(16,137)	470,070
Net cash flows from operating activities	**15,512,235**	**9,156,307**
Cash flows from investing activities		
Proceeds from sale of fixed assets	155,871	60,122
Investment income	718	397
Payment made to acquire fixed assets	(11,977,694)	(14,998,258)
	(11,821,105)	**(14,937,739)**
Cash flows from financing activities		
Interest paid	(1,264,966)	(813,681)
Interest element of finance lease rental payments	(45,574)	(21,486)
New loans	2,500,000	5,500,000
Repayments of amounts borrowed	(1,555,476)	(1,218,427)
Capital element of finance lease rental payments	(273,966)	(123,971)
	(639,982)	**3,322,435**
Increase/(Decrease) in cash and cash equivalents in the year	**3,051,148**	**(2,458,997)**
Cash and cash equivalents at beginning of the year	**3,987,948**	**6,446,945**
Cash and cash equivalents at the end of the year	**7,039,096**	**3,987,948**

The notes on pages 40 to 62 form part of these financial statements

Notes to the Financial Statements (continued). Year ended 31 July 2023

1. Statement of Principal Accounting Policies

General Information

The Institution of Hartpury University in Gloucestershire is registered with the Office for Students. The address of the registered office is Hartpury University, Hartpury, Gloucester, GL19 3BE

Statement of compliance

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2022. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of Funding for Higher Education Institutions issued by the Office for Students and the Terms and Conditions of Research England Grants.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards. As a result of the Office for National Statistics (ONS) decision to reclassify further education colleges, sixth-form colleges and designated institutions in England ('colleges') to the central government sector, the College now meets the overall requirements in HM Treasury's document, 'Managing Public Money' (MPM), and other related obligations

Basis of preparation

These Consolidated and Institution financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value)

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities. The Board of Governors review forward financial forecasts and has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future.

The Institution continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Going concern

The activities of the university, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the University, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

The University currently has £23.836m of combined loans outstanding with Lloyds and Triodos. None of the loans are secured. The terms of the existing agreements are for between 6 and 17 years. The University's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

The University has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Institution and all its subsidiaries controlled by the group for the year ended 31 July 2023.

Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Financial statements are made up to 31 July 2023 for Hartpury College of Further Education, Limbury Limited and Rudgeley Services Limited, whilst the accounting year end for Hartpury Rugby Limited is 30 June 2023.

Gains and losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Institution and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution's share is eliminated.

Income Recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Consolidated Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the Consolidated Statement of Comprehensive Income on a receivable basis.

Funds the Institution receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the Institution where the Institution is exposed to minimal risk or enjoys minimal benefit related to the transaction.

Grant funding

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

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

The recurrent grant from the OfS represents the funding allocations attributable to the current financial year and is credited direct to the Consolidated Statement of Comprehensive Income.

Funding body recurrent grants received from the Education and Skills Funding Agency (ESFA) are measured in line with best estimates for the period over which they are receivable and depend on the income stream involved. Any under achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the Consolidated Statement of Comprehensive Income. The final grant income is normally determined with the conclusion of the year end reconciliation process with the ESFA following the year end and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

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 institution 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 Institution is entitled to the funds.

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

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

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

4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Capital grants

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

Accounting for retirement benefits

The two principal pension schemes for the Institution's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The schemes are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated to spread the cost of pensions over employees' working lives with the Institution in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries based on valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Gloucestershire Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

Employment Benefits

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

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the Institution annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to other comprehensive income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the statement of financial position using the enhanced pension spreadsheet provided by the funding bodies.

Finance lease

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

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

Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term to the Statement of Comprehensive Income and Expenditure. Any lease premiums or incentives are spread over the lease term.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the FE HE SORP, are measured based on deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation based on depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic costs of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired and building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University of between 5 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 102, the University followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to the reporting date. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged in the period it is incurred, unless it increases the future benefits of the University, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Library books inherited from the Local Education Authority are stated at valuation and are not depreciated. The costs of library books purchased are expensed directly to the income and expenditure account in the period of acquisition.

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised as cost. Equipment inherited from the Local Education Authority is included in the Balance Sheet at valuation.

Inherited equipment has been depreciated on a straight-line basis over its remaining useful economic life to the University of between three and ten years from incorporation and is now fully depreciated. All other equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

Computer equipment	-	3 years
Motor vehicles	-	4 years
Plant	-	8 years
Furniture, fixtures and fittings	-	10 years

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Consolidated Statement of Comprehensive Income over the expected useful economic life of the related equipment.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Comprehensive Income.

Borrowing costs
Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Investments
Investments in subsidiaries
Investments in subsidiaries are accounted for at cost less impairment in the Institution's separate financial statements.

Other Investments
Listed investments held as non-current assets and current asset investments, which may include listed investments, are stated at fair value, with movements recognised in Comprehensive Income. Investments comprising unquoted equity instruments are measured at fair value, estimated using a valuation technique.

Stocks
Commercial farming stocks are independently valued by CPW Daniell, a RICS Registered Valuer based in Gloucestershire. Growing crops, feedstuffs, sprays and fertilisers are valued at cost. Livestock, with the exception of the milking herd, which is included on a herd basis, are valued at a discounted market value. Provision is made for obsolete, slow-moving and defective stocks.

Cash and cash equivalents
Cash includes cash in hand, repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

Provisions, contingent liabilities and contingent assets
Provisions are recognised in the financial statements when:

1. The Institution has a present obligation (legal or constructive) as a result of a past event;
2. It is probable that an outflow of economic benefits will be required to settle the obligation; and
3. A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks to the liability.

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

Maintenance of premises
The cost of routine corrective maintenance is charged to the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

Taxation
Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantially enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

The Institution is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of para 1 of schedule 6 to the Finance

Act 2010 and accordingly, the Institution is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their costs.

The Institution's subsidiary companies Limbury Ltd, Rudgeley Ltd and Hartpury Rugby Limited are subject to Corporation Tax and VAT in the same way as a commercial organisation. Hartpury College Ltd is an exempt charity within the meaning of Part 3 of the Charities Act 2011.

Financial instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements into which it has entered.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention whether to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e., deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be readily measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate unless they are included in a hedging arrangement.

To the extent that the Institution enters into forward foreign exchange contracts which remain unsettled at the reporting date, the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Institution does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Reserves

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

Other restricted reserves include balances where the donor has designated a specific purpose and therefore must be held in perpetuity.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities: -

1. Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met.

2. Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of carrying values of property, plant and equipment are shown in note 9.

3. The provision for doubtful debts is based on an estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

4. Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

5. Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

6. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions in determining net costs (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. Where the present value of the defined benefit obligation at the reporting date is less than the fair value od plan assets at that date, the plan has a notional surplus. As management do not consider that the University will be able to recover the surplus either through reduced contributions in the future or through refunds from the plan, the surplus has not been recognised in the financial statements in line with paragraph 28.22 of FRS102.

2. Funding Body Grants

	Group 2023	University 2023	Group 2022	University 2022
Recurrent grants	£	£	£	£
Office for Students	**2,442,490**	**2,442,490**	2,366,078	2,366,078
Research England	**718,320**	**718,320**	410,442	410,442
Education and Skills Funding Agency – adult	**51,091**	-	48,374	-
Education and Skills Funding Agency – 16 - 18	**12,290,357**	-	11,974,521	-
Education and Skills Funding Agency - apprenticeships	**202,225**	-	247,296	-
Education and Skills Funding Agency – Teachers Pension Scheme	**710,127**	-	535,646	-
Specific grants				
Skills Funding Agency	**36,605**	**36,605**	36,954	36,954
Releases of government capital grants	**329,584**	**329,584**	414,764	414,764
HE Grants	**174,317**	**174,317**	149,452	149,452
Total	**16,955,116**	**3,701,316**	16,183,527	3,377,690

3. Tuition fees and education contracts

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Adult education fees	**170,931**	-	153,668	-
Fees for HE loan-supported courses	**18,476,848**	**18,476,848**	17,587,657	17,587,657
International students' fees	**1,903,527**	**1,788,798**	1,657,514	1,575,466
Total tuition fees	**20,551,306**	**20,265,646**	19,398,839	19,163,123
Education contracts and research	**813,666**	**257,552**	381,253	242,176
Total	**21,364,972**	**20,523,198**	19,780,092	19,405,299

4. Other income

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Catering and residence	**7,887,686**	**7,887,686**	7,303,730	7,303,730
Management charge to Hartpury College	-	**5,565,307**	-	5,167,484
Farming	**1,358,807**	**1,358,807**	1,201,390	1,201,390
Equine	**1,138,387**	**1,138,387**	1,444,776	1,444,776
Other income generating activities	**2,023,891**	**2,549,014**	1,837,157	2,680,259
Capital donations	**859,883**	**1,411,656**	810,390	810,390
Total	**13,268,654**	**19,910,857**	12,597,443	18,608,029

5. Investment income

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Other interest receivable	-	-	-	-
Other investment income	**718**	**397**	(60,575)	397
	718	**397**	(60,575)	397
Net return on pension scheme (note 20)	-	-	-	-
Total	**718**	**397**	(60,575)	397

6. Staff costs – Group and University

The average number of persons (including key management personnel) employed by the Group during the year, described as full-time equivalents, was:

	2023 Number	2022 Number
Teaching staff	**222**	227
Non-Teaching staff	**373**	360
	595	587

Staff costs for the above persons

	Group 2023	**University 2023**	Group 2022	University 2022
	£	**£**	£	£
Wages and salaries	**22,031,020**	**15,563,234**	20,193,470	14,024,851
Social security costs and apprentice levy	**2,135,896**	**1,520,731**	1,965,829	1,510,737
Other pension costs	**5,131,088**	**3,844,581**	7,980,570	6,986,890
Total Staff costs	**29,298,004**	**20,928,546**	30,139,869	22,522,478

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and are represented by the Senior Management Team which comprises the Vice-Chancellor (Principal and CEO), Chief Operating Officer, Deputy Vice-Chancellor, Deputy Principal – Further Education and Deputy Principal – Resources.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2023 Number	2022 Number
The number of key management personnel including the Accountable Officer was:	**6**	5

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following ranges was:

	Key management personnel			**Other Staff**
	2023	2022	**2023**	2022
	Number	Number	**Number**	Number
£100,001 to £105,000 p.a.	**1**	-	**-**	-
£105,001 to £110,000 p.a.	**-**	-	**-**	-
£110,001 to £115,000 p.a.	**-**	-	**-**	-
£115,001 to £120,000 p.a.	**-**	-	**-**	-
£120,001 to £125,000 p.a.	**-**	-	**-**	-
£125,001 to £130,000 p.a.	**-**	-	**-**	-
£130,001 to £135,000 p.a.	**-**	-	**-**	-
£135,001 to £140,000 p.a.	**-**	-	**-**	-
£140,001 to £145,000 p.a.	**-**	-	**-**	-
£145,001 to £150,000 p.a.	**-**	-	**-**	-
£150,001 to £155,000 p.a.	**-**	-	**-**	-
£155,001 to £160,000 p.a.	**-**	-	**-**	-
£160,001 to £165,000 p.a.	**-**	-	**-**	-
£165,001 to £170,000 p.a.	**-**	-	**-**	-
£170,001 to £175,000 p.a.	**1**	-	**-**	-
£175,001 to £180,000 p.a.	**-**	-	**-**	-
£180,001 to £185,000 p.a.	**-**	-	**-**	-
£185,001 to £190,000 p.a.	**-**	-	**-**	-
£190,001 to £195,000 p.a.	**-**	-	**-**	-
£195,001 to £200,000 p.a.	**-**	-	**-**	-
£205,001 to £210,000 p.a.	**-**	-	**-**	-
£210,001 to £215,000 p.a.	**-**	-	**-**	-
£215,001 to £220,000 p.a.	**-**	-	**-**	-
£220,001 to £225,000 p.a.	**-**	1	**-**	-

Key management personnel emoluments are made up as follows:

	2023	2022
	£	£
Salaries	**586,855**	592,028
Benefits in kind	**29,144**	36,372
	615,999	628,400
Pension contributions	**132,569**	90,686
Total emoluments	**748,568**	719,086

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The above emoluments include amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2023	2022
	£	£
Salaries - Professor A Collop (commenced 1 September 2022)	**174,167**	-
Salary – Mr R Marchant (Left 31 August 2022)	**20,742**	219,434
Benefits in kind	**21,249**	31,696
	216,158	251,130
Pension contributions	**41,243**	3,919
	257,401	255,049

The pension contributions in respect of the Accountable Officer and senior post holders are in respect of employer's contributions to the Teachers' Pension Scheme or the Local Government Pension Scheme and are paid at the same rate as for other employees.

The governing body adopted the Committee of University Chairs (CUC) June 2018 Higher Education Senior Staff Remuneration Code in July 2019 and assesses pay in line with its principles.

The remuneration package of the Principal, Vice-Chancellor and Chief Executive is subject to annual review by the Remuneration and Employment Committee of the governing body which uses benchmarking information to provide objective guidance. This includes consideration of the Association of Colleges Senior Pay Survey which enables comparator by land- based colleges, all colleges, income, region and structure (with salaries banded into quartiles); salary scales and pay levels across the wider institution; performance – individual and institution; and, since becoming a university, Vice-Chancellor Remuneration data.

The Vice-Chancellor, Principal and Chief Executive reports to the Chair of Governors, who undertakes an annual review of his performance against Hartpury's overall objectives using both qualitative and quantitative measures of performance.

This performance, along with achievement of the University's financial plan, are key elements used in assessment of remuneration for senior staff.

The organisation's structure increased in complexity with transition to university status, whilst continuing to operate a further education college as a subsidiary company limited by guarantee and meet the regulatory framework of the higher education and further education sectors. Hartpury is committed to ensuring parity of esteem for both further and higher education. Hartpury continues to work consistently and effectively towards its mission to be a specialist niche provider delivering relevant, effective and high-quality education and training for employment in sport, equine, animal and agricultural industries; locally, regionally, nationally and internationally and manages its recruitment to balance the need to meet this range of markets.

The Vice-Chancellor, Principal and Chief Executive has been in place since 1st September 2022.

During 2022/23 the head of the provider's basic salary is 7.2 (2022 – 8.5) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 8.0 (2022 – 9.7) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider to its staff.

The pay multiple has been calculated in accordance with paragraph 12.d of the Accounts Direction issued by the OfS.

Compensation for loss of office paid to former key management personnel

	2023	2022
	£	£
Compensation paid to the former post-holder	**-**	-

The members of the Corporation other than the Accountable Officer and the staff member did not receive any payment from the Institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Access and Participation

	2023	2022
	£	£
Access Investment	**362,912**	342,576
Financial Support	**-**	-
Disability Support	**397,421**	293,357
Research and Evaluation	**24,341**	23,898
	784,674	659,831

7. Other operating expenses

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Teaching costs	**5,960,309**	**4,706,217**	5,308,338	4,233,568
Non-teaching costs	**7,007,878**	**8,550,329**	7,136,230	8,528,197
Premises costs	**3,269,122**	**3,269,122**	2,756,493	2,756,493
Total	**16,237,309**	**16,525,668**	15,201,061	15,518,258

Other operating expenses include:

	2023	2022
	£	
Auditors' remuneration		
Financial statements audit	**56,047**	35,448
Internal audit	**21,600**	28,116
Other services provided by the financial statements' auditor		
Taxation	**9,600**	8,988
Compliance	**7,518**	4,500
Other services provided by the internal auditors	**-**	-
Hire of assets under operating leases	**975,103**	978,909
	-	-

Access and Participation

	2023	2022
	£	
Access Investment	**413,294**	392,958
Financial Support	**486,020**	532,462
Disability Support	**397,421**	293,357
Research and Evaluation	**24,341**	23,898
	1,321,076	1,242,675

£784,674 (2022 £659,831) of these costs are already included in the overall staff costs figures included in the financial statements. (See note 6).

Full details of the Access and Participation plan for Hartpury University is published on the website and can be found at https://www.hartpury.ac.uk/media/5950/hartpury-university-access-and-participation-plan-2020-25.pdf

8. Interest and other finance costs – Group and University

	2023	2022
	£	£
On bank loans, overdrafts and other loans	**1,264,966**	813,681
	1,264,966	813,681
On finance leases	**45,574**	21,486
Pension finance costs (note 20)	**94,218**	422,000
	1,404,758	1,257,167

9. Tangible fixed assets

	Freehold land and buildings	Assets under Construction	Equipment	Total
Group	£	£	£	£
Cost or valuation				
At 1 August 2022	69,339,349	16,254,012	18,804,191	104,397,552
Additions in the year	3,023,775	7,673,530	1,870,385	12,567,690
Inter class transfer	10,577,754	(12,044,817)	1,467,063	-
Disposals	-	(83,376)	(93,350)	(176,726)
At 31 July 2023	82,940,878	11,799,349	22,048,289	116,788,516
Depreciation				
At 1 August 2022	26,211,592	-	14,689,589	40,901,181
Charge for year	1,948,704	-	1,490,295	3,438,999
Eliminated in respect of disposals	-	-	(36,992)	(36,992)
At 31 July 2023	28,160,296	-	16,142,892	44,303,188
Net book amounts				
At 31 July 2023	**54,780,582**	**11,799,349**	**5,905,397**	**72,485,328**
At 31 July 2022	43,127,757	16,254,012	4,114,602	63,496,371
Inherited	1,394,858	-	115,500	1,510,358
Financed by capital grant	10,855,111	6,262,809	1,077,616	18,195,536
Other	42,530,613	5,536,540	4,712,281	52,779,434
At 31 July 2023	**54,780,582**	**11,799,349**	**5,905,397**	**72,485,328**
Assets held under finance lease:				
- net book amounts at 31 July 2023	**-**	**-**	**999,422**	**999,422**
- net book amounts at 31 July 2022	-	-	**637,763**	**637,763**
- depreciation charge for the year ended 31 July 2023	**-**	**-**	**189,167**	**189,167**
- depreciation charge for the year ended 31 July 2022	-	-	**78,967**	**78,967**

If inherited land and buildings had not been valued, they would have been included at a cost and net book amount of £nil.

9. angible fixed assets (continued)

	Freehold land and buildings	Assets under Construction	Equipment	Total
The University	**£**	**£**	£	£
Cost or valuation				
At 1 August 2022	73,554,644	16,254,012	18,875,396	108,684,052
Additions in the year	3,053,775	7,673,530	1,870,385	12,597,690
Inter class transfer	10,577,754	(12,044,817)	1,467,063	-
Disposals	-	(83,376)	(93,350)	(176,726)
At 31 July 2023	87,186,173	11,799,349	22,119,494	121,105,016
Depreciation				
At 1 August 2022	24,907,629	-	14,760,795	39,668,424
Charge for year	2,033,205	-	1,490,295	3,523,500
Eliminated in respect of disposals	-	-	(36,992)	(36,992)
At 31 July 2023	26,940,834	-	16,214,098	43,154,932
Net book amounts				
At 31 July 2023	**60,245,339**	**11,799,349**	**5,905,396**	**77,950,084**
At 31 July 2022	48,647,015	16,254,012	4,114,601	69,015,628
Inherited	1,394,858	-	115,500	1,510,358
Financed by capital grant	10,855,111	6,262,809	1,077,616	18,195,536
Other	47,995,370	5,536,540	4,712,280	58,244,190
At 31 July 2023	**60,245,339**	**11,799,349**	**5,905,396**	**77,950,084**
Assets held under finance lease:				
- net book amounts at 31 July 2023	**-**	**-**	**999,422**	**999,422**
- net book amounts at 31 July 2022	**-**	**-**	**637,763**	**637,763**
- depreciation charge for the year ended 31 July 2023	**-**	**-**	**189,167**	**189,167**
- depreciation charge for the year ended 31 July 2022	**-**	**-**	**78,967**	**78,967**

The transitional rules set out in FRS 102 Tangible Fixed Assets have been applied on implementing FRS 102. Accordingly, the book values at implementation have been retained.

Land and buildings inherited from the Local Education Authority at incorporation were valued on 28 September 1992 by a firm of independent chartered surveyors based on depreciated replacement cost where the open market value was not readily available. Other tangible fixed assets inherited from the Local Education Authority at incorporation have been valued by the corporation on a depreciated replacement cost basis.

Inherited land and buildings have been funded from local education authority sources. Should these assets be sold, the University would either have to surrender the sale proceeds to the ESFA or use them in accordance with the financial memorandum with the ESFA.

£8,397 is included within the group additions for the year which represents the finance charges capitalised for the period. Of the total cost carried forward, £534,117 (2022: £525,720) relates to capitalised finance charges. The group's average rate of borrowing used was between 4.3% and 6% to determine the rate of capitalisation.

10. Non-current investments

	Group 2023	University 2023	Group 2022	University 2022
	£	**£**	£	£
Investment in the ordinary share capital of subsidiary undertakings at cost	**-**	**202**	-	202
	-	**202**	-	202

The University holds 100% of the issued ordinary share capital of the following subsidiary undertakings, incorporated in Great Britain, which have been consolidated in the financial statements.

Name of subsidiary	Country of registration	Activity
Hartpury College of Further Education	England and Wales	Provision of education
Limbury Limited	England and Wales	Dormant
Rudgeley Services Limited	England and Wales	Provision of transport and property services
Hartpury Rugby Limited	England and Wales	Provision of sporting services

11. Stock

	Group 2023	University 2023	Group 2022	University 2022
	£	**£**	£	£
Farm, livestock, produce and stores	**671,464**	**671,464**	670,008	670,008
Total	**671,464**	**671,464**	670,008	670,008

12. Trade and other receivables

	Group 2023	University 2023	Group 2022	University 2022
	£	**£**	£	£
Amounts falling due within one year:				
Trade receivables	**1,434,541**	**1,434,541**	580,410	580,410
Amounts owed by subsidiary undertakings	**-**	**42,856**	-	28,361
Other debtors	**50,575**	**27,569**	59,166	37,727
Prepayments and accrued income	**915,873**	**886,102**	999,161	999,161
Total	**2,400,989**	**2,391,068**	1,638,737	1,645,659

13 Creditors: amounts falling due within one year

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Bank loans and overdrafts	1,909,728	1,909,728	1,547,976	1,547,976
Obligations under finance leases	252,497	252,497	114,937	114,937
Trade payables	3,875,129	3,755,681	5,320,990	5,226,647
Amounts owed to subsidiary undertakings	-	964,350	-	1,559,981
Other taxation and social security	1,040,198	812,735	956,598	732,563
Deferred taxation	11,878	-	10,793	-
Accruals and deferred income	3,413,031	1,461,103	2,045,549	1,352,605
Deferred income – Government capital grants	828,087	828,087	701,249	701,249
Other creditors	1,814,251	1,952,487	1,648,081	1,375,082
Total	**13,144,799**	**11,936,668**	12,346,173	12,611,040

14. Creditors: amounts falling due after one year

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
Bank loans	21,915,649	21,915,649	21,332,877	21,332,877
Obligations under finance leases	603,989	603,989	425,519	425,519
Deferred income – Government Capital Grants	17,367,449	17,367,449	8,389,232	8,389,232
Total	**39,887,087**	**39,887,087**	30,147,628	30,147,628

15. Maturity of Debt

(a) Bank loans and overdrafts
Bank loans and overdrafts are repayable as follows:

	Group 2023	University 2023	Group 2022	University 2022
	£	£	£	£
In one year or less	1,909,728	1,909,728	1,547,976	1,547,976
Between two and five years	8,513,835	8,513,835	8,043,880	8,043,880
In five years or more	13,401,814	13,401,814	13,288,997	13,288,997
Total	**23,825,377**	**23,825,377**	22,880,853	22,880,853

The University has a number of term loan facilities and has entered into fixed rate agreements with its bankers. Interest on £3,100,453, £2,217,334 and £101,886 has been fixed at 5.775% until July 2028, £1,127,180 has been fixed at 4.861% until July 2033, £616,309 has been fixed at 4.81% until July 2033, £1,711,858 has been fixed at 5.077% until July 2033 and £145,943 has been fixed at 3.396% until July 2033.

On 24 October 2019 the Corporation signed a new loan facility agreement with Triodos Bank UK Ltd with two facilities. One facility of £6.8m to re-finance some existing loans with Lloyds which has now been fixed at 3.781% until November 2039. There was also an additional facility of £8m to fund the development of a new Catering outlet which has been fixed at 6.887% until November 2039. The balances outstanding on these loans at the end of the year was £6,654,822 and £7,871,081 respectively.

A further loan with Salix was drawn in 2020/21 and the balance outstanding at July 2023 was £278,511. This loan is interest free and repayable over 5 years and has been used to finance the upgrade of lighting around the campus.

(b) Finance Leases
The net finance lease obligations to which the institution is committed are:

	Group 2023	**University 2023**	Group 2022	University 2022
	£	**£**	£	£
In one year or less	**252,497**	**252,497**	114,937	114,937
Between two and five years	**603,989**	**603,989**	405,628	405,628
In five or more years	**-**	**-**	19,891	19,891
Total	**856,486**	**856,486**	540,456	540,456

Finance lease obligations are secured on the assets to which they relate.

16. Provisions

	Group and University	
	Enhanced pensions	Total
	£	£
At 1 August 2022	97,524	**97,524**
Expenditure in the period	(6,714)	**(6,714)**
Additions in the period	-	**-**
Actuarial gains	(6,895)	**(6,895)**
At 31 July 2023	83,915	**83,915**

This enhanced pension provision relates to the cost of staff who have already left the Group's employ. This provision has been calculated in accordance with guidance issued by the ESFA and its successor organisations.

The principal assumptions for this calculation are:

	2023	2022
Price inflation	**2.8%**	2.9%
Discount rate	**5.0%**	3.3%

17. Cash and cash equivalents

	At 1 August 2022	Cash flows	Other Changes	At 31 July 2023
	£	£	£	**£**
Cash and cash equivalents	3,987,948	3,051,148	-	**7,039,096**
Overdrafts	-	-	-	**-**
	3,987,948	3,051,148	-	**7,039,096**

18. Capital and other commitments

	Group and University	
	2023	2022
	£	£
Commitments contracted for at 31 July	**6,909,535**	3,233,730

19. Lease obligations

At 31 July the University had minimum lease payments under non-cancellable operating leases as follows:

	Group and University	
	2023	2022
	£	£
Future minimum lease payments due		
Land and Buildings		
Not later than one year	**59,054**	58,000
Later than one year and not later than five years	**236,212**	232,000
Later than five years	**428,139**	420,500
	723,405	710,500
Other		
Not later than one year	**224,331**	212,161
Later than one year and not later than five years	**298,650**	371,721
Later than five years	**-**	-
	522,981	583,882

20. Defined benefit obligations

The Group's employees belong to two principal post-employment benefit plans: The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Gloucestershire Local Government Pension Scheme (LGPS) for non –teaching staff, which is managed by Gloucestershire County Council. Both are multi-employer defined-benefit plans.

Total pension costs for the year		**2023**		2022
		£		£
Teachers' Pension Scheme: contributions paid		**2,260,956**		2,028,561
Local Government Pension Scheme:				
Contributions paid	**2,360,803**		2,226,009	
FRS102 charge	**516,000**		3,726,000	
Charge to Statement of Comprehensive Income		**2,876,803**		5,952,009
Enhanced pension charge to Statement of Comprehensive Income		**-**		-
Total Pension Costs for Year within staff costs		**5,137,759**		7,980,570

Contributions amounting to £530,931 (2022 £475,757) were payable to the schemes at 31 July 2023 and are included in Group creditors.

Teachers' Pension Scheme
The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), The TPS is a multi-employer pension plan. The Group is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the Group has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The Group has set out above the information available on the plan and the implications for the Group in terms of anticipated contribution rates are set out below.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). DfE agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2022/23 academic year.

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

The pension costs paid to TPS in the year amounted to £2,260,956 (2022: £2,028,561).

Local Government Pension Scheme
The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Gloucestershire County Council. The total contributions made for the year ended 31 July 2023 were £3,006,833 (2022 £2,834,143), of which employer's contributions totalled £2,360,803 (2022 £2,226,009) and employees' contributions totalled £646,030 (2022 £608,134). The agreed contribution rates for future years are 22.9% for employers and range from 5.5% to 12.5% for employees, depending on salary according to a national scale.

The following information is based upon a full actuarial calculation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified independent actuary.

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	**3.45%**	3.00%
Future pension increases	**2.95%**	2.70%
Discount rate for scheme liabilities	**5.00%**	3.50%
Inflation assumption (CPI)	**2.80%**	2.70%
Commutation of pensions to lump sums	**50%**	35%

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

	At 31 July 2023	At 31 July 2022
	Years	Years
Retiring today		
Males	**22.0**	21.7
Females	**24.3**	**24.1**
Retiring in 20 years		
Males	**21.8**	**22.6**
Females	**25.5**	25.8

	Fair Value at 31 July 2023	**Fair Value at 31 July 2022**
	£'000	£'000
Equity instruments	**24,851**	22,666
Debt instruments	**8,029**	7,212
Property	**4,588**	3,778
Cash	**764**	686
Total fair value of plan assets	**38,232**	34,342
Actual return on plan assets	**(402)**	(704)

The amount included in the balance sheet in respect of the defined benefit plan is as follows:

	2023	2022
	£'000	£'000
Fair value of plan assets	**38,232**	34,342
Present value of plan liabilities	**(38,232)**	(36,669)
Net pensions (liability)/asset	**-**	(2,327)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2023	2022
	£'000	£'000
Amounts included in staff costs		
Current service cost	2,880	5,956
Past service cost	-	-
Total	2,880	5,956
Amounts included in investment income		
Net interest income	(91)	(422)
	(91)	(422)
Amount recognised on Other Comprehensive Income		
Return on pension plan assets	(420)	(704)
Experience losses arising on defined benefit obligations	(2,467)	(159)
Changes in assumptions underlying the present value of plan liabilities	5,821	27,202
Amount recognised in Other Comprehensive Income	2,934	26,339

Movement in net defined benefit (liability)/asset during the year

	2023	2022
	£'000	£'000
Net defined benefit (liability)/asset in scheme at 1 August	(2,327)	(24,518)
Movement in year:		
Current service cost	(2,880)	(5,956)
Employer contributions	2,364	2,230
Past service cost	-	-
Net interest on the defined (liability)/asset	(91)	(422)
Actuarial gain or loss	2,934	26,339
Net defined benefit (liability)/asset at 31 July	-	(2,327)

Asset and Liability Reconciliation

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	36,669	56,579
Current service cost	2,880	5,956
Interest Cost	1,337	954
Contributions by Scheme participants	641	604
Experience gains and losses on defined benefit obligations	2,928	159
Changes in demographic assumptions	(888)	(180)
Changes in financial assumptions	(4.933)	(27,022)
Estimated benefits paid	(402)	(381)
Past service cost	-	-
Curtailments and settlements	-	-
Defined benefit obligations at end of period	38,232	36,669

Changes in fair value of plan assets		
Fair value of plan assets at start of period	**34,342**	32,061
Interest on plan assets	**1,246**	532
Return on plan assets	**(420)**	(704)
Employer contributions	**2,364**	2,230
Experience gains and losses on defined benefit assets	**461**	-
Contributions by Scheme participants	**641**	604
Estimated benefits paid	**(402)**	(381)
Fair value of plan assets at end of period	**38,232**	34,342

Pension Asset

The data received from the Actuary, indicated a pension asset of £7,073m at 31 July 2023. However. FRS102 states "If the present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date, the plan has a surplus. An entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan." As management do not consider that the University will be able to recover the surplus wither through reduced contributions in the future of through refunds from the plan, the surplus has not been recognised in these financial statements in line with paragraph 28.22 if FRS102.

21. Related party transactions

Due to the nature of the Group's operations and the composition of the Board of Governors 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 Board of Governors may have an interest. All transactions involving such organisations are conducted at arms' length and in accordance with the Group's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £8,234 in respect of 10 governors (2022: £5,959; 8 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings. No Governor has received any remuneration or waived payments from the Group during the year (2022: None).

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.

22. US Loans Supplementary Schedule

Hartpury University has students that have received loans during the financial year via the Federal Student Aid programs from the U.S Department of Education (ED). In satisfaction of its obligations to facilitate students' access to US federal financial aid, Hartpury University is required, by the US Department of Education, to present the following Supplementary Schedule in a prescribed format.

The amounts presented with the schedules have been:

- Prepared under the historical cost convention;
- Prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of recommended Practice for Accounting for Further and Higher Education (2019 edition);
- Presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Page		Line item/related disclosure	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
	Statement of Financial Position			
23	Cash and cash equivalents	SOFP (cash and cash equivalents	7,039	3,988
38	Accounts receivable (net)	Note 12 (other receivables)	1,435	580
23 & 38	Prepaid expenses – including stock	SOFP (Stock) and note 12<<>> (Prepayments and Accrued Income)	1,638	1,728
23	Property, plant and equipment (net)	SOFP (Tangible Assets)	72,485	63,497
	Total Assets		82,597	69,793
38	Line of credit – short term	Note 13 (Unsecured loan)	2,162	1,663
38	Accrued expenses/Accounts payable	Note 38 (trade payables and Accruals)	7,288	7,367
38	Deferred revenue	Note 13 and Note 14 (Deferred income)	18,196	9,090
23	Post-employment and pension liability	SOFP (Pension Provisions)	-	2,327
23 & 38	Other liabilities	SOFP (Other provisions and Note 13 (Other creditors)	2,950	2,713
38	Line of credit for long term purposes	Note 14 (Unsecured Loans)	22,520	21,758
	Total Liabilities		53,116	44,918
	Net Assets without Donor Restrictions			
23	Other restricted reserves by purpose or time	SOFP (Income and expenditure reserve – restricted reserve)	845	957
	Total net Assets with Donor Restrictions		845	957
	Total Net Assets		29,481	24,875
	Total Liabilities and Net Assets		82,597	69,793
	Changes in Net Assets without Donor Restrictions			
	Operating revenue and Other Additions			
32	Tuition and fees, net	Note 3	21,365	19,780
32	Contributions	Note 2	16,955	16,184
32	Investment return appropriated for spending	Note 5	1	(60)
32	Auxiliary enterprises	Note 4	13,268	12,597
	Total Operating Revenue and Other Additions		51,589	48,501

Page		Line item/related disclosure	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
	Operating Expenses and Other Deductions			
35	Education and research expenses	Note 7 (non pay expenses excluding Depreciation and interest)	5,960	5,308
21	Depreciation and amortisation	SOCI	3,439	2,981
35	Interest expense	Note 8 (Financing costs)	1,405	1,257
35	Auxiliary enterprises	Note 7(All other items less "net assets released in restrictions")	10,278	9,895
31	Staffing	Note 6 (Staffing costs)	29,298	30,140
	Total Operating Expenses		50,380	49,581
	Change in Net Assets from Operations		1,209	(1,080)
	Non-Operating Changes			
21	Pension related changes other than net periodic pension costs	SOCI (Actuarial gains/losses)	2,941	26,346
21	Sale of fixed assets, gains (losses)	SOCI (Gain/(loss) on disposal of tangible assets)	16	(470)
	Total Non-Operating Changes		2,957	25,876
	Changes in Net Assets Without Donor Restrictions	SOCI (unrestricted comprehensive income for the year)	4,166	24,796
21	Contributions	SOCI	440	-
	Changes in Net Assets with Donor Restrictions	SOCI (Endowment comprehensive income for the year)	440	-
	Change in Net Assets	SOCI (Total comprehensive income for the year)	4,606	24,796
	Net Assets, Beginning of Year	SOFP (Net Assets)	24,875	79
	Net Assets, End of Year	SOFP (Net Assets)	29,481	24,875
	Net Property plant and equipment			
	Pre-implementation PPE			-
36	Construction in Progress	Note 9	60,686	47,243
36	Post-implementation	Note 9	11,799	16,254
			-	-
			72,485	63,497
	Long term debt for long term purposes			
38	Pre-implementation	Note 14		
	Post-implementation		22,520	21,758
			-	-
			22,520	21,758
	Primary Reserve Ratio			
	Net assets no restriction		28,636	23,918
	Net assets with donor restriction		845	957
	Less			
	PPE	SOFP (Tangible Assets)	72,485	63,497
	Line of credit for long term purposes		22,520	21,758
			(20,484)	(16,864)
	Total operating expenses		50,380	49,581
	Other gains/(losses)		-	-
			50,380	49,581

Page		Line item/related disclosure	Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
	Equity Ratio			
	Net Assets without Donor Restriction		28,636	23,918
	Net Assets with Donor Restriction		845	957
			29,481	24.875
	Total Assets		82,597	69,793
			82,597	69,793
	Net Income Ratio			
21	Change in net assets without donor restrictions	SOCI (Unrestricted comprehensive income for the year)	51,589	48,501
	Total operating revenue – unrestricted		51,589	48,501
21	Sale of fixed assets	SOCI (Gain/(loss) on disposal of tangible assets)	16	(470)
			51,605	48,971

HARTPURY
UNIVERSITY
AND COLLEGE

Hartpury House, Gloucester GL19 3BE
T: 01452 702 100 | **www.hartpury.ac.uk**