



# Annual Report

For the year ended 31 July 2023



ROYAL  
HOLLOWAY  
UNIVERSITY  
OF LONDON



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Royal Holloway and Bedford New College is a Charity Incorporated in the United Kingdom by Act of Parliament.  
Registered Office: Royal Holloway and Bedford New College, Egham Hill, Egham, TW20 0EX.

# A successful University today

At Royal Holloway, **students and colleagues join a close community of inspiring people** with a truly global outlook. We're a brave, bold University, steeped in history and culture, yet constantly evolving and adapting to the demands of modern higher education.

**World-class research** that expands minds and changes lives, Royal Holloway is in the **top 25% of UK universities for research**, with 88% of its research judged to be within the top two categories, defining it as either world-leading, or internationally excellent respectively.

*(Research Excellence Framework, 2021)*

**Top 30**  
**university**  
**in the UK**

*(Times and Sunday Times Good University Guide, 2024)*



**Vibrant and active community with strong student involvement:** 130+ societies and clubs and high-quality music, media and performing arts opportunities.

**88%**  
**of our research is world leading or internationally excellent**

*(THE, REF, Overall ranking of institutions, 2021)*

**Dedicated teachers and individual education** with flexibility and breadth of choice.

With our **beautiful campus** in Egham, our central London campus, and our students studying around the world, ours is a community that inspires individuals to succeed academically, socially and personally.

*(Ranked within the 10 most beautiful universities in the UK, Times Higher Education Supplement 2023)*



# Financial highlights

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>Results, cash flows and reserves</b>		
Total income	216,104	201,103
Net cash flow from operating activities	21,587	22,272
as % of income	10.0	11.1
Net liquidity (cash plus current asset investments)	101,446	88,273
Net liquidity / (total expenditure - depreciation) days	196	149
External borrowing (including repayable within one year)	140,000	140,000
as % of income	64.8	69.6
General reserve	55,165	49,571
as % of income	25.5	24.6
Payments to acquire tangible and intangible fixed assets	11,768	10,021
as % of income	5.4	5.0
<b>Other key statistics</b>		
	Number	Number
Number of full-time equivalent students	11,921	11,339
Average number of full-time equivalent staff	1,739	1,671

# Introduction

## Foreword by Dame Margaret Hodge, Chair of Council



At the beginning of the academic year 2022-23, we welcomed Professor Julie Sanders as the University's new Vice-Chancellor and Principal. Under her leadership, the University is building on its combined strengths in education and research and being brave and ambitious for its future.

This annual report offers me the opportunity to reflect on behalf of Council on our progress and achievements over the past academic year, and to look forward to the future.

First and foremost, my Council colleagues and I recognise and are grateful for the dedication and professionalism of colleagues across the University. The resilience and determination they and our students have demonstrated has enabled us to succeed against the many national and sector-wide challenges faced over the past year.

With the cost of living impacting on many students, the University's Student Life team now hold weekday drop-in sessions, providing help and guidance on financial management and budgeting to support students and help look after their wellbeing.

Earlier this year we signed a memorandum of understanding with Volodymyr Dahl East Ukrainian National University. I am very proud that this will allow us to support Ukrainian students to continue their studies and Ukrainian academics to carry out their research.

We know that investing in research leads to great teaching, and from great teaching comes great learning. We are therefore delighted with our new Omnidrome Research Centre, and its recently completed training and testing facility. This centre will support further advances in technology and security. We look forward to the facilities

being used in a range of disciplines, from agriculture to the environment to security.

Building on our expertise in the creative industries, the StoryFutures unit at the University has been announced as the lead partner for the UK Convergent Screen Technologies and performance in Realtime (CoSTAR) National Lab. This £51.1m investment by the UK Government will ensure that the UK's screen and performance sectors enjoy and build on the infrastructure and skills that will give the UK a competitive edge in a fast-changing environment.

The CoSTAR National Lab enables us to bring together world leaders in technology, research and story to support innovation in the UK's creative industries. Our partners include Pinewood Studios, BT, disguise, the University of Surrey, Abertay University, Surrey County Council and the National Film and Television School.

We are in the process of developing a new strategy for our University that will have regard to the external pressures and constraints and will also grasp new opportunities as they emerge. The strategy will help us build on our reputation of excellence in both research and teaching to reach a wider group of students and a greater range of private sector and community partners.

Regarding our finances, they remain tight. We ended this year with a small deficit which was offset by the reduced provision in relation to the Universities Superannuation Scheme (USS). Like the rest of the university sector, we face a continuing challenge as our income from fees fails to rise to meet the costs of inflation. We are constantly looking at new ways of working to save money, while protecting the excellent student experience for which Royal Holloway is renowned.

Overall, we have much to celebrate. Professor Sanders has created a new strong, enthusiastic, and talented executive team. The Council, the executive team and our community of students and staff are excited to be working together as we develop a new strategy to take our University into the 2030s. Our strategy will be based on a clear set of values shared across the University and will underpin the decisions we take. Over the coming period, as we develop our strategy, we will engage with students, colleagues, and partners to determine our priorities.

We will look to balance our strategic ambitions with financial sustainability and with the need to fully support our whole University community in their passions and ambitions.

## Foreword by Professor Julie Sanders, Vice-Chancellor and Principal



The academic year 2022/23 marks my first as Vice-Chancellor and Principal of this amazing University. I am proud to have already seen so many great educational opportunities and achievements happening alongside inspiring and impactful research which seeks to make a positive difference in the world.

The value we place in the quality of both our education and research, and our culture of exploration, curiosity and social purpose has long been celebrated and continues to embrace innovative thinking. We were founded to provide equity in the opportunity to learn, to transform lives through education, and to create positive change.

Royal Holloway strives to offer an excellent student experience which incorporates high-quality teaching and supportive facilities for learning and development opportunities for all its students.

The University serves the needs of a diverse student body from across London and surrounding regions, as well as welcoming students from across the UK and around the world. International students are an asset to our community on so many levels, and the rich and multi-layered global cultural experience of our home students is also truly something to celebrate.

We have continued to attract a growing number of students from diverse backgrounds, with Black and Global Majority students now representing more than 48% of our home undergraduate population. We have made significant strides in widening participation and are now working hard to ensure students from all backgrounds achieve equally well during their time studying with us.

We have also welcomed our first cohort of students to our new Department for Health Studies and, in a bold new

partnership commencing after year end, The University of Law is now delivering a range of postgraduate law courses at Royal Holloway.

Our achievements in research and innovation have seen our colleagues continue to be involved in world-leading research discoveries, such as Dr Queenie Chan from the Department of Earth Sciences. She led on the incredible analysis of the Winchcombe meteorite, which crash landed in Gloucestershire, helping to discover its organic compounds from space which hold the secrets to the origin of life.

From an educational perspective, we were delighted with the announcement that Royal Holloway has again been awarded Silver in the Office for Students (OfS) Teaching Excellence Framework and that we have remained in the top 30 universities in *The Times* and *The Sunday Times* Good University Guide.

Something I am particularly proud of in this first year in the role is our continuous progress on issues of environmental sustainability across our University and beyond. With our new Head of Sustainability Mark Berry, now in post, we are preparing future work around climate action and biodiversity across all aspects of our activity including reducing our carbon footprint. We've signed London Higher's sustainability pledge to help reduce the environmental impact of Higher Education Institutions and held our first hugely successful sustainability focussed careers fair. We also divested all fossil fuel companies from our investment portfolio.

I am excited about the prospects for the year ahead as we support our new and current students on their journey to find their purpose, and to identify what matters to them.

As a University community, not least through the development of our new RH2030s strategy, we will be working together to determine what Royal Holloway can be and do to thrive long into the future.

The strategy will be based on a clear set of values that are shared across the University and will underpin the decisions we take. It will reflect the environment and challenges faced by universities and this, in turn, will help us achieve even greater successes for our students and our staff.

Looking ahead to the coming academic year, we will be engaging with students, colleagues, alumni and partners on developing this new strategy to take Royal Holloway into the 2030s.



# Royal Holloway at a glance

## Our history, your future

Royal Holloway was founded by two Victorian social pioneers, who established colleges to make a difference in the world. They understood the life-changing opportunities afforded by education, and were inspired to make those benefits available to women, who were excluded from attending university at the time. They championed inclusivity and academic excellence, and those principles still underpin everything we do today.

Find out about our historic discoveries, notable alumni and academic innovation by visiting [royalholloway.ac.uk/our-history](https://royalholloway.ac.uk/our-history)

**1849**

Bedford College is founded by Elizabeth Jesser Reid as the UK's first higher education college for women.

Early students include the novelist George Eliot, famed for *Middlemarch*, and the first woman doctor, Dr Elizabeth Blackwell, who trained nurses in the American Civil War



**1860**

Sarah Parker Remond, the slavery abolitionist and early African American female physician, is a student

**1886**

Royal Holloway College, founded by Thomas and Jane Holloway, is opened by HM Queen Victoria

**1894**

Students include the suffragette Emily Wilding Davison, who died at the Epsom Derby in 1913, the pioneering surgeon, Dr Louisa Martindale CBE, and her sister, Hilda Martindale CBE, who argued for equal pay and rights for women

**1900**

Both Bedford and Royal Holloway Colleges are admitted to the University of London

**1912**

Margaret Benson becomes Professor of Botany at Royal Holloway College, the first female science professor in the country

**1944**

Sir William Hunter McCrea becomes Head of Mathematics at Royal Holloway. His discovery that the sun is composed mainly of hydrogen leads to the development of the Big Bang Theory

**1985**

Royal Holloway and Bedford New College opens following the merger of the two colleges. HM Queen Elizabeth II inaugurates the new College the following year

**2012**

We are the Olympic Village for Rowing, and our graduate Sophie Christiansen CBE wins three Paralympic Gold Medals. Our particle physicists contribute to the discovery of the Higgs Boson particle



**2017**

HRH The Princess Royal visits to officially open the Emily Wilding Davison Building, containing our Library and Student Services Centre



**2019**

Professor Dame Ann Dowling, President of the Royal Academy of Engineering, officially opens the Beatrice Shilling Building, a fantastic technology-led facility designed to develop a creative approach to study, collaboration and research

**2020**

Royal Holloway wins the Times Higher Education Award for Research Project of the Year: Arts, Humanities & Social Sciences for *Blood Bricks*, research into modern slavery and climate change in Cambodia

**2023**

Royal Holloway Volunteering celebrates 20 years. While records show informal volunteering taking place in the 1970s, formal volunteering began in 2003. Thousands of students have since taken part in volunteering and social action at the University

# Royal Holloway at a glance

## Our constitution

Royal Holloway, University of London (“the University”) is a multi-faculty Higher Education Institution, offering undergraduate and postgraduate degrees and carrying out academic research. It is one of seventeen independent federation members and eight specialist research institutes of the University of London. It is financially independent, competes internationally, and has a diverse student population from over 140 countries. The University is a Charity Incorporated in the United Kingdom by Act of Parliament: Royal Holloway and Bedford New College Act 1985.

“The Founder believes that the education of women should not be exclusively regulated by the tradition and method of former ages; but that it should be founded **on those studies and sciences which the experience of modern times has shown to be the most valuable**, and the best adapted to meet the intellectual and social requirements of the students.”

*Deed of Foundation, 1883*

## We have a bold vision for our future



Our three-year strategic plan, 2022 to 2024, has been inspired by the Deed of Foundation that established Royal Holloway College which opened in 1896. Royal Holloway College merged with Bedford College in 1985, and today’s University is rooted in the purpose and ethos of our two founding colleges, providing the foundations of the University we are today.

The colleges combined their heritages of academic excellence, social justice, philanthropy and entrepreneurship, together with their shared tradition of challenging social and cultural norms by being the first to open the doors to higher education for women, to form one University – Royal Holloway and Bedford New College, now known as Royal Holloway, University of London.

Royal Holloway’s history and origins in equality and social justice are a source of pride. Thomas Holloway set out in

the College’s Deed of Foundation a College vision that met the key access challenge of the day, the access of women to Higher Education.

The strategic plan considers how we can meet the needs of our modern times in terms of the provision of higher education and research-based innovation. By building on our well-regarded academic strengths, and by aligning to needs, for example in graduate employability, programme portfolio, access, civic influence, partnership and knowledge exchange, we can deliver on our purpose as a university.

Our strategic plan has the following six pillars:

- Serving the higher education needs and ambitions of an expanding London population;
- Expanding the horizons of all our students by building strong and sustainable international partnerships;
- Addressing key issues of our modern time by developing our strengths in challenge-led research;
- Enabling the success of our strategy through simplification and digitisation;
- Creating value through and for our people;
- To implement our Sustainability Strategy and align our ambition to being a socially-responsible institution.

Underpinning the plan is a strong focus on managing our resources effectively and efficiently. In doing so we protect the legacy of our founders and enable Royal Holloway to meet the modern needs of future generations.

## Our Vision and Strategy

Our vision as an institution is to cultivate an inclusive environment that supports excellence in teaching, research and student experience. During Autumn 2023 we will be developing a new strategic plan which will set out our strategic ambitions to the 2030's.

Our current three-year strategic plan, 2021-2024, was developed during the pandemic to focus efforts on the immediate consequences of the pandemic and the unknown, and potentially significant, impacts on longer-term prospects. The overarching aim was to allow short-term actions to be aligned with the long-term success of the University, strengthening our dual excellence mission and maintaining financial sustainability. Following approval of the initial plan, work was done to create supporting strategies. Our People Strategy was written to address the dual objectives of supporting delivery of the three-year strategic plan and to provide a great place to work. Our inaugural Environmental Sustainability Strategy was approved in Summer 2022.

Our strategic plan is ambitious, and implementation is bringing about significant positive change. The implementation of the plan is being achieved through delivery of a portfolio of projects and programmes of work.

### Ambition and progress of our strategic plan

Our current strategic plan aims to create an inclusive environment, to allow the University to benefit from the increase in diverse students from London. It provides the opportunity for the University to grow in new academic

areas and to expand opportunities as a result of the digital revolution.

During 2022-23 we have implemented a project to deliver a new system to simplify and digitise the management of our curriculum. This will lead to an increased capacity to respond in a timely way to future opportunities to shape our educational offering. We have reviewed our engagement policy, processes and systems that support our changing student body to engage/re-engage with students, enhancing experience and outcomes. Our Assessment Futures project has focused on developing a University-wide assessment strategy for the future, with Academic Schools developing frameworks to reflect disciplinary differences. Our ultimate goal is to reduce the number of assessments while creating increased opportunities for authentic assessment.

Our employability offer, developed around work-related skills, has been marketed to all colleagues and students and aims to help students develop stronger employability evidence for their CVs and future job applications during their studies. This will enable tangible connections between skills developed via the curriculum and experiences, and work is underway to identify a new system for students to record and map their skills.

### Partnerships

The key projects within Pillar 2 of the University's strategic plan have been focused on developing the University's partnerships, locally but particularly globally. Whether this has been to expand our offering with the University of London (UoL), to deepen our

collaboration with our pathway and recruitment partner Study Group or to explore new relationships with overseas universities, partnership development to drive student recruitment is a core priority.

Key milestones that have been achieved include the signing of new Memorandums of Understanding with several overseas institutions in India and China (strategic plan priority markets), the expansion of the International Study Centre with Study Group, enabling greater numbers of international students to enter Royal Holloway degrees, and the launch of an innovative recruitment and admissions collaboration with Study Group.

In addition, the University has established a strong and growing network of UoL teaching centres offering the BSc Business Administration which has not only resulted in an increasing number of students studying remotely but also more looking to articulate on to the campus degree during their studies, and greater brand awareness in key markets such as Pakistan.

Work is being done to cultivate potential new relationships in smaller markets such as Norway and Singapore, to help ensure a diversity across the University's student body and partnership portfolio.

### Research

Our research intensity is a foundation for the University's success, and this underpins the education and environment we offer to students and colleagues. Traditionally we have focused on investigator-led research

# Our Vision and Strategy

and, whilst this remains key to our success, our ambition is to be equally strong in challenge-led research. We are focused on developing partnerships to boost links with industry connected to our catalyst themes and our civic University agenda. Work is ongoing to create a more productive staff research environment through provision of resource and support for staff training, with a focus on knowledge exchange, partnering and liaison with non-academic partners. Developing University strength in knowledge exchange has a high priority as we make use of our research to address societal challenges.

## Digitisation and simplification

The University recognises that to thrive in the changing world of digital revolution, we must transform and embrace digitisation of our education and operations. Throughout 2022-23 we have been delivering a programme of work around the goals of simplification and digitisation, the key aims being to simplify the way we work and use technology to drive improvements. A new Student Enquiry Management Service was launched in

June 2023 and work will continue to expand the footprint of the new system, as well as develop a student knowledge portal where students will be able to self-serve to find answers to common enquiries. Our Analytics project aims to introduce a new approach to organising and using our data more effectively. Work is ongoing to bring the University's data together into one space, which will result in a holistic view of the University and our students, improved quality and consistency of our data and better-informed decisions.

## Our people

Implementation of our people strategy has three initial priority areas;

- clear and shared understanding of where we are heading and what success looks like;
- the capacity to be able to respond to that;
- the leadership with engagement skills to connect our colleagues with the direction.

During 2022-23 work has been completed to align academic roles within Schools and ensure

accountabilities are clear. A project to create a refreshed clear vision and values for the University is ongoing and this work will align with the creation of new strategic ambitions during Autumn 2023. A review of the academic promotion processes is underway, engagement and benchmarking activities are complete, and recommendations are pending.

## Environmental sustainability

In the summer of 2022, Council approved our inaugural environmental sustainability strategy and we affirmed that the 2020s are a 'decade of action'. We signed the London Higher Sustainability Pledge in November 2022, and we recently launched a living sustainably PhD network. We have accelerated carbon literacy training across the University and have plans for future projects on sustainable transition of laboratories and green skills training investment. Longer term, we have a commitment to address areas of the University's operations, including decarbonisation. We plan to launch our first climate action plan during 2024-25 and we envisage environmental sustainability will be a key strategic enabler for the Royal Holloway 2030s vision and strategy.

Our current plan is the foundation to enable financial sustainability and the long-term success of the University, strengthening our dual excellence mission. Work has now begun on the development of our next strategy as we look towards Royal Holloway's ambitions for the 2030s. As a University, we aim to be resilient, adaptive and agile and to deliver solutions that do not lose sight of our values: our colleagues and students are our first priority.



<b>Deed of Foundation, 1883</b>	"The Founder believes that the education of women should not be exclusively regulated by the tradition and method of former ages; but that it should be founded on those studies and sciences which the experience of modern times has shown to be the most valuable, and the best adapted to meet the intellectual and social requirements of the students."			
<b>Purpose</b>	To cultivate a modern and inclusive environment which supports excellence in teaching, research and student experience. Strengthen student opportunities through employability, develop strength in research to benefit society and achieve financial sustainability through student number growth in the medium term.			
<b>Strategic ambition</b>	Align to the opportunities and requirements of our modern times to address local and global need			
<b>Strategic priority pillars</b>	Serving the higher education needs of an expanding London population	Expanding the horizons of all our students by building strong and sustainable international partnerships	Addressing key issues of our modern time by developing our strengths in challenge-led research	Enabling the success of our strategy through simplification and digitisation
<b>Strategy to action: Key focus areas</b>	Align education portfolio with needs of future students	Grow international experiences for our students	Expand challenge-led research from investigator-led research basis.	Simplify and rationalise services / processes / procedures
	Enhance quality and equity of education offer	Secure routes into the College for international students	Increase opportunities for innovation and insight derived from research	Maximise benefits of information technology and digitisation
	Increasing skills and experiences to support employability	Expand partnerships to enable growth in international student numbers	Enhance end to end processes to support opportunities for grant funding	Focus on service / continuous improvement / partnership working
<b>People</b>	Creating value through and for our people			
<b>Sustainability</b>	Generate positive and inclusive change that supports significant progress towards the United Nations Sustainable Development Goals on campus and beyond for all our stakeholders.			

2020/21 to 2023/24

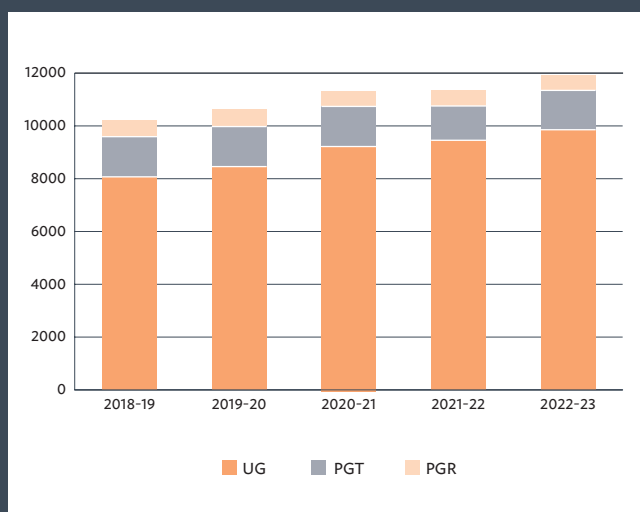
# Royal Holloway at a glance



## Student numbers

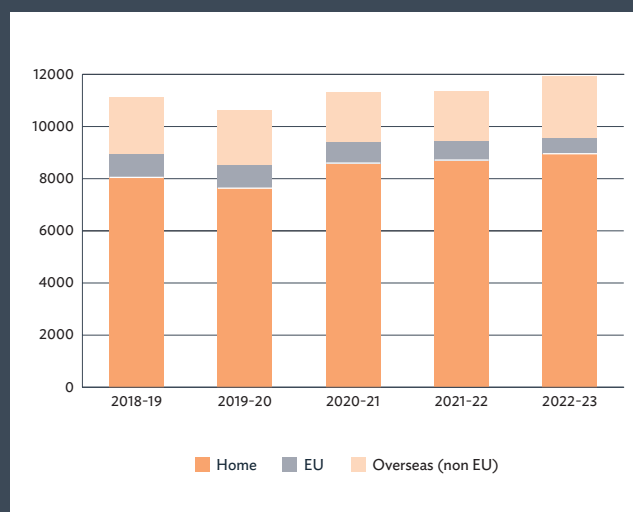
During 2022/23 the University increased student numbers once more to 11,921, compared with 11,339 FTEs in 2021/22 (an increase of 5.1% year on year). Postgraduate (PG) student FTEs were 17.5% of the total, including research postgraduates at 4.6% (figure 1).

Figure 1: Student FTEs by category of undergraduate and postgraduate teaching and research



There was an increase of 274 Home FTEs and an increase of 476 Overseas (non EU) students (figure 2) since the prior year. From 2021/22 all new EU students are classified as Overseas, and pay Overseas fees. Overall, the annual growth in total students FTE was 5.1% (582 students).

Figure 2: Student FTEs by domicile





# Strategic report

## Scope of the financial statements

The financial statements comprise the results of the University (including funds for which the University is a trustee) for the year ended 31 July 2023.

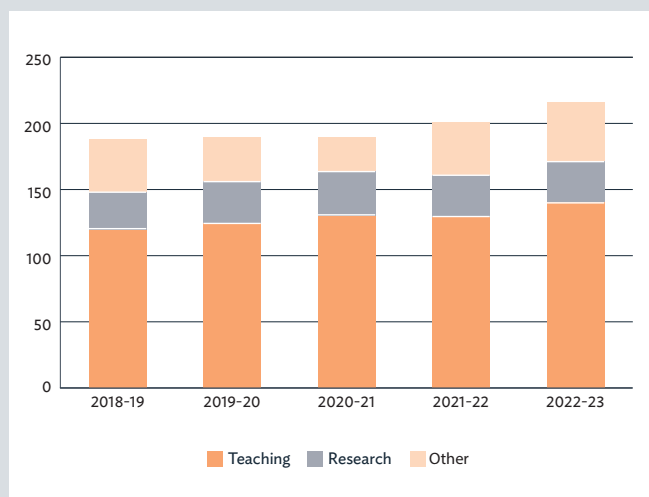
## Operating results

The University's surplus before other gains and losses was £4.3m (2021/22: £31.3m deficit), with net cash inflow from operating activities of £21.6m (2021/22: £22.3m).

The operating results include a decrease of £11.3m in the USS pension provision (note 20; 2021/22: increase of £42.1m).

Total income is 7.5% higher than the previous year at £216.1m (2021/22: £201.1m) with the majority of the increase being tuition fees. In 2022/23 teaching accounted for 65% of total income and research 15% of the total (figure 3).

Figure 3: Annual income by major category (£m). "Teaching" is defined as the Office for Students (OfS) teaching grant plus tuition fees and contracts and "research" as OfS and Research England (RE) grant plus research grants and contracts. "Other" includes residences, conferences and catering income – see note 6.



In addition, investment income has increased as the University has taken advantage of the availability of more favourable interest rates.

Excluding the shifts in the USS pension provisions in both years, total underlying expenditure increased by 18% in 2022/23 to £225.4m.

Excluding the pension provision adjustments, staff costs increased by £8.5m (8%), due to a combination of staff cost of living increases (with larger increases awarded to lower paid staff) and an increase in the average staff FTEs to 1,739 (2021/22: 1,671).

Other operating expenses increased by £16.3m largely due to an increase in provisions of £5.3m and an increase in activities in Commercial Services. This included £3.4m expenditure on student maintenance and awards.

## Capital investment and the Estate plan

A plan for the long-term development of the main campus, most of which is located on Green Belt land, was approved by Runnymede Borough Council in January 2015.

Total capital investment in the year was £13.2m (2021/22: £11.4m).

Other Estates investment totalled £6.9m (2021/22: £9.5m), of which refurbishment expenditure was £2.1m (2021/22: £2.5m). In 2022/23 there was refurbishment work in Wettons Terrace, Highfield cottages, the Metal-free lab in Queens Building and in Chestnuts. £0.6m was spent on the campus spine road upgrade (2021/22: £1.2m), £1.4m on the Omnidrome building, £0.6m on compliance (emergency lighting) and the majority of the remaining £2.2m was spent on various Estates small works (cyclical and plant/equipment replacements).

£1.9m (2021/22: £1.1m) was spent on academic equipment and £1.3m on IT/systems (2021/22: £0.7m).

In July 2016 the University acquired Rusham Park, a site of great strategic importance based on its proximity, value and development potential, adjacent to its campus in Egham. The acquisition cost was £20.4m.

The site was acquired with tenants, both of whom have now vacated the site and with the demolition of the buildings on the site completed, the site is ready for new investment. Whilst plans for the delivery of new student accommodation are temporarily paused due to the current economic environment, the University takes a long-term view about the strategic importance of Rusham Park which enables the future expansion of the campus.

During the year, as the result of an impairment review, the value of Rusham Park in the balance sheet has reduced by £5.1m since the prior year.

## Cash flow, liquid assets and treasury management

The net cash flow generated from operating activities was £21.6m compared with £22.3m in 2021/22. There was an overall increase in cash, cash equivalents and short term investments during the year of £13.2m to 101.5m overall.



The University's treasury management policy has been kept under active review by the Council's Finance Committee. The main principles of the policy are to place cash only with A-rated Money Market Funds and UK regulated banks and building societies that meet agreed credit rating criteria, to achieve diversification of deposits between counter-parties and in relation to maturity, and to limit exposure to a single counter-party or Fund.

### Endowment assets

The University's endowment assets comprise the College Collections along with investment assets managed by professional fund managers. The market value of the University's endowment assets was £81.6m (2021/22: £86.1m).

During the year the endowment assets (excluding the College Collections) were managed by Rathbone Greenbank, an ethical and sustainable fund manager. Their market value at 31 July 2023 was £51.2m (2021/22: £54.3m).

Endowment asset investment performance is monitored by the Investment sub-Committee. The primary objective is to achieve a total return, including dividends, interest, rent or other income, and capital appreciation, of CPI Inflation +3.2% per annum net of fees, over 3-5 years.

During the year Royal Holloway divested all fossil fuels from its investment portfolio following a review of investment policy. The policy has been updated in recognition of the University's commitment to environmental sustainability and social justice within its endowment investments. The new policy also has explicit exclusions on armaments, gambling, adult entertainment, and tobacco.

The decarbonisation of our endowment assets is driven by our aims to reduce exposure to carbon intensive companies and to make sustainably-themed investments.

Targets are set in each of these three areas and significant progress has been made during 2022-23.

### Trade Union facility time

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the University, as a public sector employer, is required to collate and publish a range of data on the amount and cost of time spent by Trade Union Officials on facility time. Facility time is the provision of paid or unpaid time off from an employee's

normal role to undertake Trade Union duties and activities.

The publication year runs from 1 April 2022 to 31 March 2023. This information is to be published every year by 31 July. The relevant Trade Unions with whom the University has a Collective Bargaining Agreement are GMB, Unite and Universities and Colleges Union (UCU). The number of employees who were relevant union officials during the relevant period, who spent part of their working hours on facility time, was 21 with an FTE of 18.75.

The number of employees who were relevant union officials during the relevant period spent the following percentages of their working hours on facility time:

Percentage of time	Number of employees
0%	-
1-50%	21
51%-99%	-
100%	-

The total cost of facility time was £0.1m of a total pay bill of £115m.

The percentage of the total pay bill spent on facility time was 0.09%.

### Principal risks and uncertainties and future prospects

The risk management objectives of the University are to have an effective process of risk assessment, management, evaluation and review in place. This is to both support the achievement of the University's strategy and to ensure that risks connected to core University operations are appropriately managed.

The University has an active programme of risk management, which can detect and act upon situations of deteriorating risk and thereby protect the interests of the institution and its future.

The risk management structure is aligned to the University's governance and line management structures from Council, through Executive Board, to supporting committees within Schools and Departments.

The risk strategy has been expanded in recent years in the following ways:

- Development and use of risk appetite statements for risks to monitor those 'outside of appetite' (see below);

# Strategic report

- Development of risk registers for each Academic School and the majority of the Professional Services Directorates;
- Inclusion of risk management and review of risk register in the Academic Planning Round.

Further enhancements in the coming year include a full review of the risk register, incorporating the development of risk champions across the University and additional work to assess the external environment's potential impact on our goals and objectives.

The residual risks to the University that remain outside the University's risk appetite, after countermeasures, are considered to be as follows:

- Student recruitment: Failure to recruit students, in particular international students, in accordance with the University strategy, affecting financial sustainability. This risk incorporates government proposed changes to the rules for students coming to the UK with respect to dependents which are expected to come into force in January 2024. Counter measures for this risk include refocusing marketing material, improving the admissions process, strengthening certain specific portfolios, focussing on employability, new plans for the International Student Recruitment team and a consolidation and expansion of January intakes.
- Cybersecurity: failure to prevent a cyber-attack or data breach leading to significant impacts on operational functions across the University and/or penalties for a GDPR breach. In mitigation, continuing work is taking place improving our infrastructure and operations.
- Environmental sustainability: failure to deliver the University's Sustainability Strategy. Mitigations include recruitment of key senior posts in this area, dedicated Key Performance Indicators in relation to sustainability and improvements to energy and utilisation monitoring systems.
- UK Visas and Immigration (UKVI): failure to comply with UKVI licence conditions leading to potential inability to recruit staff and students from overseas. Mitigations include a range of immediate and longer term actions to enhance systems and processes to ensure ongoing compliance with our licence conditions.

- Inclusive education: Failure to provide an equal chance of access, success and progression for diverse student groups, including the failure to address awarding gaps, leading to students failing to reach their potential, failure to meet Access and Participation Plan (APP) targets, loss of reputation and negative impacts on Graduate Outcomes. With regard to mitigations, the current Access and Participation plan (APP) was approved by the OfS in 2019 and runs to 2024-25. A new APP will be required during 2024 and this will provide significant focus and resource on developing and delivering our inclusive education strategy to meet the changing needs of our students.

The University regularly monitors these risks and is satisfied that it is managing risks effectively.

**Professor Julie Sanders**

Vice-Chancellor and Principal

15 December 2023

**Dame Margaret Hodge**

Chair of Council

# Public benefit statement



The University wishes to make a report on how it has delivered its charitable purposes for the public benefit. In making this statement, the Trustees (Council Members) have had regard to the Charity Commission's guidance on public benefit.

## Charitable status

The University is an exempt charity and, as such, is exempt from registration with the Charity Commission. The University is monitored by the Office for Students as its Principal Regulator, in accordance with the Charities Act 2011.

The University was incorporated by the Royal Holloway and Bedford New College Act 1985. This defined the University's charitable objectives to be "to promote for the public benefit education and scholarship and...for that purpose to provide instruction leading to degrees of the University of London, to superintend postgraduate studies and to promote research."

## Education, access and widening participation

The University provides education at undergraduate and postgraduate level across its six schools: Business and Management; Engineering, Physical and Mathematical Sciences; Humanities; Law and Social Sciences; Life Sciences and the Environment; Performing and Digital Arts. Students are selected based on their ability to successfully complete their programme of study to the required standards. In the Times and The Sunday Times Good University Guide (TGUG) 2024, the University has been ranked as 29th in the UK.

Royal Holloway was founded on principles of social inclusion and equality, being one of the very first institutions in the UK to give women access to higher education.

We are proud to have an increasingly diverse population of students with 52% from Black and Global Majority backgrounds; 35% from the first generation in family to attend University; and 16% with a disability<sup>1</sup>.

The University's Integrated Foundation Year (IFY) programme widens access to higher education for historically under-represented communities and groups by bridging the gap between A Level or other Level 3 achievements and standard admission to Royal Holloway. In 2022-23, 62% of IFY students were not white, compared to 47% of students who entered directly into Year 1 of an undergraduate programme. At the end of their

Year 1 studies, the outcomes for IFY students in the arts, humanities and social sciences were higher than their direct entry peers.

The University has a five-year Access and Participation Plan (APP) that covers the period from 2020-21 to 2024-25. Our APP focuses on improving outcomes for specific groups of students, including students from under-represented or deprived areas, students from ethnic minority groups, mature students, disabled students and care leavers.

We have developed a range of initiatives which are successfully impacting outcomes for these groups:

- As a result of the collaborative outreach work of our Widening Access team with local schools, we have seen the number of enrolled students from the most deprived areas almost double between 2017/18 and 2022/23 (96% increase)<sup>2</sup>.
- A peer mentoring scheme PEMENTOS (Peer MENToring TO Succeed), which was implemented in our School of Life Sciences and the Environment last year, showed a statistically-significant increase in confidence and decrease in measures of anxiety for mentees – important steps in improving overall student outcomes.
- A range of other activities, such as the Turing Scheme, are designed to increase opportunities for under-represented groups, and we are developing a more inclusive culture through projects such as Conversations about Race.

We are committed to achieving the ambitious targets set out in the 2020-2025 plan, and we have already started work on the new plan due to start in 2025-26.

Fees to Home students are charged at the rates permitted by the regulations, and Overseas student fees and other discretionary fees take account of the competitive market and the requirement for activities to cover their full costs.

A wide range of support for fees and living costs is provided in order to give opportunities to study at the University to those from under-represented groups. Under the arrangements for charging fees of £9,250 to full-time undergraduate Home students which are overseen by the Office for Students, awards to students totalled £3.5m in 2022/23. Other awards funded from the University's resources and endowment income, mainly to support postgraduates, were £4.4m in 2022/23.

<sup>1</sup> February 2023, headcount of full student cohort, all levels and residencies, student count dashboard

<sup>2</sup> December count, headcount of IMD Quintile 1 students from UK UG student cohort, student count dashboard.



## Supporting students

The University provides Student Life teams who can assist their transition to university life and who then provide support and guidance to students about their wellbeing and experience at Royal Holloway.

### Support and guidance

The Wellbeing: Support and Guidance team support all students with their general wellbeing, by providing nonclinical advice and guidance to students and referring for more specialised support.



### Counselling and Mental Health

The Counselling and Mental Health teams support students with their personal, emotional and mental wellbeing with the aim of helping them achieve the best they can in their academic studies and social experiences.



### Student Counselling

The Student Counselling team provide students with the chance to talk about personal and emotional concerns in a confidential setting.



### Disability and Neurodiversity

The Disability and Neurodiversity team support all students who have a registered disability, long standing medical condition, specific learning difficulty or mental health condition.



### Financial Wellbeing

The Financial Wellbeing Team provide advice and guidance aimed at improving students' financial capability as well as administering the Study Support Grant that can provide direct financial support for students unable to meet their costs of living and short-term loans for students with cash flow problems.



## Public benefit statement

The University provides a range of scholarships and bursaries to help students pay for their studies. This includes scholarships that are aimed specifically at groups currently under-represented in higher education, as well as bursaries available to support students who face barriers to entering Higher Education because of their low household income or because they have spent time in local authority care.

The University provides Student Life teams who can assist their transition to University life and who then provide support and guidance to students about their wellbeing and experience at Royal Holloway.

### Our research profile

Our University community cares about tackling global and community challenges that face our people and planet. To make a real difference, we focus our expertise around the areas of immersive and digital technologies, climate change, cyber security and quantum sciences. Our work is relevant to all sectors of the arts, humanities and sciences. Both teaching and research make a difference, because we support our students, staff and communities to build lasting partnerships with education, government and industry.

The contribution of the University's research to the advancement of knowledge and understanding was reflected in the outcome of the REF 2021 which positioned our research within the top 25% of research overall.

The following examples give an indication of the variety of the public benefits that are produced by the University's research and academic engagement activities:

### 5G radio frequency interference

The recent expansion of 5G has led to an increased amount of radio frequency interference (RFI) with the potential to heavily impact the measurements and forecasting of weather systems and interference of aircraft radio altimeters. This has posed a major technical challenge for the implementation of 5G around the world. Research at Royal Holloway aims to provide a solution to the problem.

The Microwave Photonics and Sensors Group led by Dr Shyqyri Haxha in the Department of Electronic Engineering has partnered with the European Space Agency (ESA) on the design of novel filtering techniques to remove 5G interference from weather satellite measurements.

Our patented expertise in the field of high-performance microwave photonic filters can suppress the interference to allow for accurate measurements. Traditional electronic filtering techniques or digital filtering techniques have limitations operating at the high frequencies required. Hybrid microwave photonic systems can overcome some of the limitations of these techniques to allow for high performance, efficient, controllable filtering, light weight, and low energy devices. The wide tunability of these filters has potential to work in many demanding environments and applications, with the ability to aid in the removal of natural RFI as well as 5G interference RFI.

Dr Shyqyri Haxha secured funding for the project from ESA's Open Space Innovation Platform after demonstrating the potential photonic filtering techniques to ESA engineers and specialists at the Met Office and the European Centre for Medium Range Weather Forecasting.

### PlomBOX – the analysis of lead in water

Researchers at Royal Holloway led by Professor Jocelyn Monroe are contributing to sustainable development goal six, 'Clean Water and Sanitation', with a research project aiming at the development of a low-cost device, PlomBOX, to assay drinking water for lead. They are using their expertise in dark matter technology and detector development to design the device.

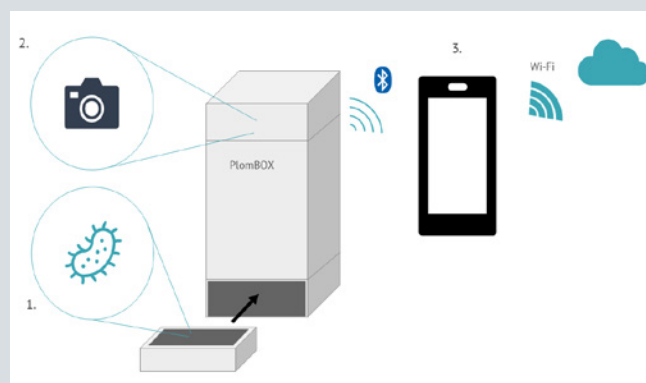


Diagram of the PlomBOX with all its working components. Point 1 represents the biosensor, located in a tray, mixed with the water that is to be analysed. This biosensor is imaged by the Data Acquisition device seen in point 2. The obtained images are sent to the PlomApp, seen in point 3, via Bluetooth and consequently sent from the PlomApp to the server via Wi-Fi. The server processes and analyses the images and returns a final lead result to the PlomApp.

Despite improvements in water sanitation, treatment and distribution, there are concerns that at the current rate of progress up to 1.6 billion people will still lack access to safe water by 2030. Many of those people are to be found in the most impoverished countries in the world. Drinking safe water improves health, reduces childhood mortality,

## Public benefit statement

and reduces the danger of waterborne disease. Reaching the goal of 'ensuring access to water and sanitation to all' will require rapid investment in proven technological solutions, including household water treatment. But simply securing access to safe water remains challenging for communities the world over.

Lead pollution is one particular problem when it comes to drinking water. Professor Jocelyn Monroe created a collaboration team funded by a GCRF grant, with scientists from Mexico and Argentina. The team included not only physicists but also engineers and biologists as well as social scientists from Royal Holloway. Our prototype, PlomBOX, has shown that lead levels below the World Health Organisation (WHO) value of 10 parts-per-billion for lead in water can be reached. The present aim is to explore a route to commercialise the technology to help the global population at risk.

### The sensational museum

The UK heritage sector wants to offer all visitors memorable, inclusive, engaging and enjoyable experiences. Museums increasingly provide access to their exhibitions, narratives and artefacts for everyone. Their evolving practice includes accessible offers (such as audio description and British Sign Language, audio-guides, interactive content and a wide range of community and educational programming) for people who cannot experience the museum in traditional ways. Yet, this reliance on 'access' provision to support non-traditional visitors perpetuates a dichotomy between 'abled' and 'disabled' people that marginalises non-normative ways of experiencing the museum. When museums provide alternative ways of accessing content for specific audiences, they unwittingly exclude from mainstream provision those people who want or need to access museums through senses other than sight. Consequently, even as museums aim to create welcoming experiences for all visitors, their assumption that sight is a necessary part of the optimal museum experience, risks alienating people who prefer to access and process information in ways that are not only, or not entirely, visual. A challenge remains: how can museums create inclusive interventions (interventions accessible to everyone) without having to spend time and money on also creating 'accessible' programming for minority audiences.

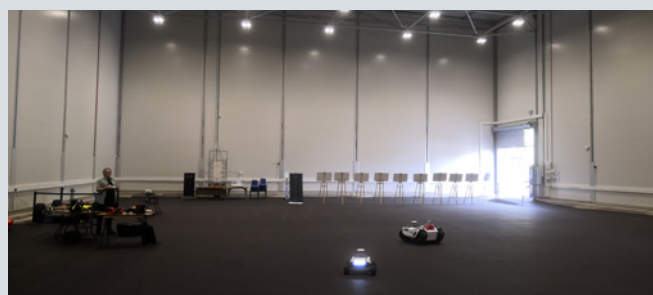
The Sensational Museum, a research project funded by the Arts & Humanities Research Council (AHRC) and led by Professor Hannah Thompson, aims to address this systemic issue by rethinking the role and place of the

senses in the museum. It declines the orthodox classical assumptions of the fixed array of five bodily senses (that have privileged sight, and reductively contained our other senses) in favour of a new sensory logic. It leverages the liberating notion of 'Sensory Gain' and the idea that everyone can benefit from the 'access' traditionally offered only to disabled visitors. Consequently, the research aims (ambitiously and audaciously) not only to articulate what such 'trans-sensory' thinking and practices might be, but to demonstrate and test this approach within the context of real-world museum collection and communication - evidencing its value for practitioners, policymakers, and standards agencies. It leverages inter-disciplinary research by bringing together insights and methods from museum studies, critical disability studies, psychology and design, and embraces a co-creative, inclusive methodology where disabled and non-disabled stakeholders are involved in every phase of research design and delivery.

### Cyborg Soloists

Cyborg Soloists is a UK Research and Innovation (UKRI)-funded project led by Dr Zubin Kanga at Royal Holloway. Dozens of composers and performers are working with technology researchers and 12 industry partners to develop artistic and technological innovations, including Artificial Intelligence (AI) interactive co-performers, virtual reality performances, new digital instruments, the interactive use of mobile phones in performance, and expanding the bodies of musicians with robotics, motion sensors and brain-scanning biosensors.

### Omnidrome



Professor Jurgen Adam is the director of the Omnidrome Research and Innovation Centre which is a hub for world-leading research, innovation, education and knowledge exchange for air, land, and water-based drones, robotics and autonomous vehicles. The Centre plays an important role in Royal Holloway's challenge-led research, innovation, and education strategy, with a

key aim to attract and develop research funding, impact and partnership opportunities across our schools and departments at the University and beyond.

Royal Holloway academics have significant expertise in drone technology and the Omnidrome programme has a truly interdisciplinary approach, drawing in a range of expertise from drones and sensors to human rights and social justice. The Centre invested in a suite of aerial drones, tracked and wheeled robots, and floating and submersible robots to support the development of research and knowledge exchange projects. The Centre also recently launched an enclosed hangar facility. The building comprises a purpose-built hangar measuring 20 metres wide by 40 metres long and 10 metres high. The facility will allow operators to develop and test specialist and experimental drones in a confined, safe space, without disruption to the local environment or residents. Engagement with industry partners and potential collaborators is ongoing with 25 introductory meetings having taken place since January 2023. An industry launch event is being planned for the autumn to capitalise on University investment into the facility.

### Business and community engagement

The University engages in consultancy and technical services activity, which primarily provides advice and services to a specific customer. This commercial engagement with business is an important aspect of the University's activities, as it builds relationships and creates potential opportunities for further engagement involving research and teaching.

Community engagement increased during 2022/23 with the return of largescale events and community initiatives. The number of community partners, statutory, and voluntary organisations working with the University has increased and they have been keen to engage with students and colleagues on campus. Royal Holloway has also been celebrating the significant milestone of twenty years of active community volunteering.

Over the past 12 months, 68 new community partners signed up on our online platform, bringing the total number of partner organisations to 242. New connections include national organisations like Crimestoppers, Diabetes UK, Refugee Education UK, and The Children's Trust, yet also local organisations such as 1st Staines Scout group, Basingstoke Canal Society, London Wildlife Trust, and the Action for Carers Surrey.



In September 2022 Royal Holloway hosted our biennial Partners' Conference on campus with a Diversity theme. Over 60 delegates attended from a range of voluntary, statutory and community organisations with guest speakers from Spirit of 2012, Volunteering Matters and Just Like Us, sponsored by Mobile Team Challenge.

Welcome Week saw the return of Royal Holloway's Festival of Volunteering which attracted a footfall of over 3,000 during a three-hour event located on Founder's Square. This flagship event was officially opened by the Mayor of Runnymede with sponsorship from Challenges Abroad. There were over 60 stalls, of which 42 were community partners who attended to promote their volunteer opportunities to students and staff. In the evening over 50 senior leaders of charities and local community organisations attended our VIP reception on the Davison roof terrace, hosted by our interim Principal with keynote speaker Alex Farrow, Director of Influencing and Engagement at NCVO.

On 14 February 2003 Royal Holloway launched Community Action with support of the Active Community Fund to support students to volunteer in their local community. Two decades later we have been celebrating over 100,000 hours of recorded volunteering with our Volunteering 20th Anniversary [royalholloway.ac.uk/Volunteering20](https://royalholloway.ac.uk/Volunteering20). This has included numerous events and initiatives such as:

- Picture Gallery Reception hosted by the Vice-Chancellor and Principal attended by more than 90 community partners, University staff, students, alumni and local officials including the Lord Lieutenant of Surrey, Chair of Surrey County Council, High Sheriff of Surrey and Mayor of Runnymede, as well as senior University staff;

# Public benefit statement

- Davison Building Exhibition featured 12 exhibition panels and dozens of historical items related to Royal Holloway Volunteering's 20-year history;
- Online Interactive timeline with 95 entries, one third of which were submitted by Royal Holloway alumni;
- Volunteering History Hunt (campus and community) by current students to follow the key moments of Community Action's journey to become Royal Holloway Volunteering;
- Special Volunteering Fair in Davison Building with twenty partner organisations and 2,000 students in attendance;
- London 2012 Olympics mosaic installation unveiled by the mayor, artist Kim Porrelli and community partner representatives in the Volunteering Hub;
- Royal Holloway Staff delivered a presentation on how to celebrate 20 years of volunteering at the Student Volunteering Network conference 2023 at Manchester Metropolitan University.

As part of our move towards becoming a University of Sanctuary we organised our Refugee Day on 6 June during national Refugee Week 2023. We hosted a mini fair with eight external partner organisations including Runnymede and Surrey Heath Borough Councils, Afghanistan and Central Asian Association, and Big Leaf Foundation. In addition, our students promoted our ESOL Tutoring project and a workshop was run by local Runnymede young artist of the year which resulted in their 30 Days of War in Ukraine artwork exhibition displayed at the University for Refugee Week 2023.

The Volunteer Awards 2023 took place in collaboration with Voluntary Support North Surrey with sponsorship from Runnymede and Spelthorne Borough Councils. This was the first collaborative intergenerational community awards event organised since 2019, with over two hundred attendees. Awards were presented to Royal Holloway students and staff as well as community members that had made significant contributions to society by volunteering. The speakers were George Fielding, Volunteering Alumni and Public Affairs Officer at Volunteering Matters and Molly Taylor, current student and #iwill ambassador. 21 awards were presented in total including the Bob O'Keefe award, presented to a student that has engaged in 'outside the box' thinking and initiated a unique volunteering experience.

This past year £5,200 in sponsorship and external funding has been raised to support events and initiatives such as Partners' Conference, Festival of Volunteering, The Big Help Out and Volunteer Awards.

Community Research, recipient of Higher Education Innovation Funding (HEIF), has advertised 18 active opportunities including by hosting a Living Library event in the Spring term to support charities with their various research needs whilst developing these skills for students in real life scenarios.

This academic year students have participated in the 'Voluntary Work in the Community' module, in which they undertook 1020 hours of work with local community organisations such as The Orchard Dementia Centre, Elmbridge, Runnymede and Spelthorne Talking Newspaper, South Hill Park Arts Centre, and Healing Arts at Ashford and St Peter's Hospitals NHS Foundation Trust. Related articles are available on the Royal Holloway website.

The Turing Scheme expanded in 2022-23, with UK government funding, to offer a wider variety of destinations for students to volunteer globally. A further two partners, Think Pacific and Raleigh International, were added to our portfolio, in addition to Challenges Abroad. This year 53 Royal Holloway students have become active global citizens by volunteering in locations such as Costa Rica, Fiji, India, Panama and Thailand. It is likely that these students would never have had this opportunity without the Turing Scheme funds, along with an additional bursary from Royal Holloway for most participants.

Finally, this academic year has seen the growth of the newly established Volunteering Hub, a dedicated place on campus to support all things volunteering. Our 50 student leaders planned their 18 Social Action projects, including the new Homeless project which organised a Sleep Out event on campus in collaboration with local charities to raise awareness. Other operations such as donations for Foodbank, British Heart Foundation, Scope and a new initiative with Jog-On to donate old trainers are coordinated at the Volunteering Hub, as well as our Christmas initiatives: Love in a Box (FSCI/ House of Opportunity) and Santa's Workshop (Age UK Surrey, Manor Farm Day Centre and The Grove). The Volunteering Hub enables a regular presence for sports volunteering, volunteering abroad partners Challenges Abroad and Think Pacific, as well as partner stands located outside during term time. Over the academic year three



Politics in Action student placements have been based in the Volunteering Hub to support initiatives and conduct specific research, and it has also provided an accessible meeting point for SW3000 students to discuss their Voluntary Work placements and Turing Scheme students to voice any questions regarding Volunteering Abroad.

### Enriching the student experience and employment

The Careers Service is now running a programme of support for students and graduates that is being delivered both in person and remotely. We are about to regain our physical presence in the Elizabeth Wilding Davison building. This will enable us to see many more students in person and will greatly assist the promotion of our services to students.

According to the Guardian University Guide 2023 our graduate prospects score is 77% across all subjects. The graduate prospects score is the proportion of students who are in graduate level work or further study.

In 2022/3:

- 1,208 students had at least one Careers appointment;
- 2,556 students and graduates attended at least one Careers event.

OfS information showed we had achieved the employability objectives in our Access and Participation Plan. Our objectives were to reduce a 15% gap in attaining a graduate level destination on leaving Royal Holloway for black students compared to white students and a 15% gap for students with a mental health condition compared to non-disabled students. We had reduced the gap to 2% for the black students and eliminated the gap completely for the students with a mental health condition.

To ensure the continued success of our students, the employability elements of the University's strategic plan are being developed. An online mechanism that provides support for students to recognise, and then evidence in job applications, the employability skills they develop in their time at Royal Holloway is still undergoing development. We are currently looking at how this will touch the curriculum and the e-tools that could be used to support it.

Five student researchers from the Schools of Humanities and Performing and Digital Arts produced a report to better understand barriers to participation (especially for Black students and students from low-

income backgrounds) in careers support and summer placement programmes, leading to improved resources, communication and promotional materials.

### Economic impact

The role played by universities is fundamentally important to the economic development of advanced economies. Through driving innovation as generators of research and development they play a central role in supporting industry clusters and make a significant contribution to economic growth.

An externally-commissioned review undertaken in July 2022 found that in the year of review, 2019-20, Royal Holloway generated a significant contribution to the economy in each of the three local regions:

- £190.8 million Gross Value Added (GVA) and 2,760 jobs in Runnymede. Gross Value Added is a measure of the monetary contribution that an organisation adds to the economy through its operations (rounded to the nearest 100).
- £221.3 million GVA and 3,030 jobs in Surrey.
- £657.1 million GVA and 7,150 jobs across the UK<sup>3</sup>.

The review also found that the key elements of the University's three-year strategic plan will have positive effects on the economic growth of the University and, by extension, the local area.

### Acting responsibly

In the summer of 2022, Council approved our inaugural environmental Sustainability Strategy.

Royal Holloway recognises that the world faces a climate emergency. Through our actions and expertise in research and education, we will generate positive and inclusive change that supports significant progress towards the UN Sustainable Development Goals on campus and beyond for all our stakeholders.

Our Sustainability Strategy has four strategic objectives:

#### 1. Research and education

To leverage our expertise in Research and Education to encourage, equip and empower our students and staff to be leaders in Environmental Sustainability. We will target our collective intellectual capacity on the most pressing Environmental Sustainability challenges and form powerful collaborations with partners to maximise our influence and impact.

# Public benefit statement

## 2. Student leadership

To engage our students to create and achieve our shared vision for Environmental Sustainability, ensuring all our students are informed about our actions so that they in turn can influence our activities to the enhancement of the student experience.

## 3. Our wider community

To facilitate community engagement and learning on Environmental Sustainability.

## 4. Operations

To reduce our energy use and our emissions, enhance biodiversity, promote environmentally and socially responsible transport and travel, and pursue ethical procurement and investment strategies. We will do this by responsible management of our operations, and through our actions as custodians of our parkland estate. In so doing, we will achieve ambitious targets for the efficient and cost effect management of our resources and waste.

# Sustainability vision

Royal Holloway declared a climate emergency in 2019 and our Council approved our inaugural environmental sustainability strategy in the summer of 2022. We affirmed that the 2020s are a “decade of action”.

- Signed the London Higher Sustainability Pledge in November 2022
- Launched a living sustainably PhD network in 2022-23
- Accelerated carbon literacy training across the University
- Working with our external partners such as RBG Kew to advance new projects on sustainability and biodiversity



## Purchasing responsibly

The University purchases a wide range of goods, services and works which are sourced from both national and international suppliers.

The University is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements, and contracts, with suppliers that share and adhere to this vision. The University expects all its suppliers to comply with its supplier code of conduct which covers the following:

- Social compliance, for example no use of forced or under aged labour, the provision of suitable working conditions and fair treatment of workers;
- Ethical compliance and economic development, for example acting with integrity, compliance with laws and regulations, and support of fair trade;
- Environmental compliance, for example avoidance of environmental harm and taking actions to reduce environmental impact.

The University is a member of the London Universities Purchasing Consortium which considers responsible procurement throughout all of its activities and is considered a leader in this field. The University is an affiliate member of Electronics Watch which is an independent monitoring organisation that works with public sector organisations to promote and enable responsible procurement and protect the rights of workers in electronic supply chains.

The University is also a member of the Higher Education Procurement Association (HEPA) which supports responsible procurement throughout the sector.

The University encourages all suppliers of goods, services and works to adopt the NETpositive Supplier Engagement Tool (<http://supplierengagementthe.net-positive.org/>). The tool enables suppliers to create a simple, free sustainability plan that measures environmental, economic and social sustainability performance.

The University recognises that it has a responsibility to take a robust approach in its supply chains and is committed to a zero tolerance policy in relation to modern slavery and human trafficking.

The University's Modern Slavery policy statement, which is updated annually, can be found here: [royalholloway.ac.uk/modern-slavery/](http://royalholloway.ac.uk/modern-slavery/)

## Investing responsibly

During the year Royal Holloway divested all fossil fuel companies from its investment portfolio following a review of its Statement of Investment Policy. The policy has been updated in recognition of the University's commitment to environmental sustainability and social justice within its endowment investments. The new policy also has explicit exclusions on armaments, gambling, adult entertainment, and tobacco.

The University is fully committed to maintaining high environmental, social and governance (ESG) standards across its investment portfolios.

The University's portfolio is managed by Rathbone Greenbank, a dedicated ethical and sustainable fund manager. The decarbonisation of our investments is driven by our aims:

- Reduction of exposure to carbon-intensive companies; and
- Making sustainably-themed investments.

Targets are set in each of these areas and significant progress has been made.

## Health, safety and welfare

The University is committed to ensuring the highest academic standards and providing an excellent student experience through responsible management. As part of this commitment, the University ensures, so far as is reasonably practicable, the health, safety and welfare of its students, staff, contractors, visitors, and members of the public. The overarching aim is that everyone who works on, or visits, our campus can enjoy its distinguished and distinctive history without detriment to their health and safety. This requires the identification and management of a diverse range of risks, some of which are unique to Higher Education.

## Research ethics

Royal Holloway is committed to protecting the dignity, rights, and welfare of all those involved in research and to promoting the highest ethical standards of research.

The University is committed to the core principles of the Concordat to Support Research Integrity (2019): honesty, respect, rigour, transparency and accountability. The University provides the infrastructure, processes, and policies to facilitate high standards of ethical research and engagement both locally and internationally.

# Responsibilities and membership of Council



In accordance with the Royal Holloway and Bedford New College Act 1985, the Council is the governing and executive body of the University. It has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance 2020.

## General principles

1. The Royal Holloway and Bedford New College Act 1985 (RHBNCA '85) established the University as a body corporate with perpetual succession and a common seal. The University is a Statutory Corporation, i.e. a legal body that has the power to sue or be sued, own property and enter into contractual obligations. The Council is its governing body, with responsibility for the oversight of the business of the University and for ensuring that it is done consistently with the Act and statutes and with the statutes, regulations and ordinances of the University of London.

## Status of members

2. All members of the Council shall have equal status, rights, powers and duties and shall share collective responsibility for all the acts and decisions of the Council. All members shall speak and act in their own right, contributing to the deliberations of the Council whatever special knowledge and advice they can and exercising their own judgement to the best of their ability in the interests of and for the good of the University as a whole. No member of Council should act in a way that represents any particular internal or external constituency. Council members should participate in open and honest debate and all members have collective responsibility for the decisions reached by Council.

## Duties of Council members

3. In order to fulfil its role and demonstrate effective governance, the Council and the University require that all members of Council contribute fully by fulfilling their duties individually and collectively:
  - a. Council members are expected to comply with the seven principles of Standards in Public Life (the Nolan Principles) namely: Selflessness; Integrity; Objectivity; Accountability; Openness; Honesty and Leadership.
  - b. Members of Council have an overriding duty to act in the best interests of the University by ensuring that funds and property are used only in accordance with the RHBNC Act and Standing Orders and the University's charitable status. There is an obligation to act reasonably, and this includes taking into account any guidance issued by such bodies as the Office for Students (OfS), CUC, the National Audit Office, the Public Accounts Committee et al.
  - c. Members have a duty to attend the Council meetings and the meetings of any committees to which they have been appointed and to give timely apologies for absence on any occasion when they are unable to attend. Meeting dates are planned well in advance to support attendance.
  - d. Members are expected to use their knowledge and skills to make constructive and rational contributions to debate, to apply strategic insight to complex issues and to offer constructive challenge to the University, recognising the proper separation between governance and management. To this end members are expected to have prepared in advance of the meeting in order to be able to contribute to discussion, ask questions and influence informed collective decision making.
  - e. Members are expected to have a strong commitment to Higher Education and the values, aims and objectives of the University and take an interest in, and keep themselves up to date on, issues affecting the business of the University. They are expected to act as ambassadors and advocates for the University, promoting its activities and strategic aims in the wider community.
4. Council aims to conduct its business so far as possible in an open manner. Meeting papers are confidential and all members, or individuals present, must respect the confidentiality of discussions at Council meetings including at meetings of Council Committees.
5. External members have a wide range of expertise and specialist skills and apply balanced and independent judgement to the Council's deliberations. Staff and student members bring the same broad range of qualities as external members and in addition they bring specific and general knowledge and understanding of the University work and culture.
6. It is recognised that the particular knowledge and understanding that staff and student members bring to Council debate, while valuable, can give rise to perceived conflicts of interest, and the fact that they are internal stakeholders of the University as well as governing body members can sometimes lead to uncertainty as to their role on Council. This duality should not, however, be allowed to confuse the key principle that all Council members have a corporate responsibility and that this overrides their role as representatives of particular groups within the University.
7. Council promotes equality and diversity throughout the institution, including in relation to its own operation and members are required to submit an annual return to the skills register.
8. Members have a general duty to avoid perceived or actual conflicts of interest between their own private, public and professional life and that of the University. Members are required to submit an annual declaration of interests and to declare, as soon as it arises, any conflict of interest with an agenda item.
9. Members may from time to time, and in accordance with the Regulations of Council and Financial Regulations, be asked to witness the application of the University seal and act as a formal signatory to sealed documents on behalf of the University.

## Time commitment

10. Membership of Council requires attendance, normally, at five Council meetings per year in addition to a 1.5 day residential Strategy Day meeting. Council meetings usually last for no more than three hours and preparation in advance is required.
11. Members may be asked to serve on a Committee of Council. Committees meet throughout the year and the frequency of meetings varies dependent upon the committee's role; normally between two and five times per academic year. Committee meetings usually last for no longer than two hours and preparation in advance is required.

# Responsibilities and membership of Council

12. All Council members are required to attend an induction at the University before they may participate at Council. Members will be required to attend externally organised briefings or training if appropriate.

## Professional indemnity of members of Council

13. Individual members of Council are covered by the University's Directors' and Officers' Liability insurance policy in respect of the costs of any claim of negligence which may be made against them in the carrying out of their duties as a member of Council.

## Trustee responsibilities

14. The University has charitable status, and members of Council are charitable trustees, subject to the obligations this imposes under charity law.

They are expected to discharge their duties of compliance, prudence and care and to accept ultimate responsibility for the affairs of the University and for ensuring that it delivers its charitable objectives for the public benefit.

## The Founder's Endowment Fund

15. The Founder's Endowment Fund: The University is the corporate Trustee of the Founder's Endowment Fund and Council's role is to ensure that any decisions in regard to the Trust Property follow the Charity Scheme.

## The Hilda Martindale Trust

16. Council is responsible for the appointment of the Trustees of the Hilda Martindale Trust and receives annual accounts and a report of awards made.

The Charity Commission provides detailed information about the responsibilities of charitable trustees.



## Membership

During the period from 1 August 2022 and up to the date of the signing of the Financial Statements, Council had the following membership:

### Independent members

Dame Sally Dicketts  
Ann Ewing (Vice Chair of Council)  
Professor Michael Farthing  
Dame Margaret Hodge (Chair of Council)  
Sarah King  
Gerry O'Hagan  
Nick Perryman (Vice Chair of Council)  
HHJ Khatun Sapnara  
Balam Veliath  
David Walker  
David Williams  
Ian Wilson

### Elected staff members

Dr Donna Brown  
Simon Davis  
Professor Bob Fitzgerald  
Sarah Honeycombe

### Elected student members

Shrijeet Shrey, Student Representative and Students' Union Vice President Education (Academic year 2022/23)  
Sharanya Sivarajah, Student Representative and Students' Union Vice President Education (Academic year 2023/24)

### Ex officio members

Professor Julie Sanders, Vice-Chancellor and Principal (from 1 October 2022)  
Professor Ken Badcock, Acting Principal (1 August 2022 to 30 September 2022)  
Maia Jarvis, President Students' Union (Academic year 2022/23)  
Hannah Hockin, President Students' Union (Academic year 2023/24)

### In attendance

#### Secretary to Council

Mary White, Acting Secretary to Council (to 29 August 2023) and Chief Financial Officer  
Andrew Boggs, Secretary to Council (from 30 August 2023)

### Membership of Council Committees

#### Audit, Risk and Compliance Committee

**Chair** Balam Veliath  
**Vice Chair** David Walker (to 13 December 2022)  
David Williams (from 1 January 2023)

### Co-opted member

Sheila Pancholi

### Finance Committee

**Chair** Ian Wilson

**Vice Chair** David Williams (to 13 December 2022)  
David Walker (from 1 January 2023)

### Ex officio members

Dame Margaret Hodge  
Nick Perryman  
Professor Julie Sanders (from 1 October 2022)  
Professor Ken Badcock (1 August 2022 to 30 September 2022)  
Mary White

### Other members

Ann Ewing

### Co-opted members

Kevin Meehan

### People Committee

**Chair** Professor Michael Farthing

**Vice Chair** Sarah King

### Ex officio members

Dame Margaret Hodge  
Professor Julie Sanders (from 1 October 2022)  
Professor Ken Badcock (1 August 2022 to 30 September 2022)

### Other members

Ann Ewing  
HHJ Khatun Sapnara  
David Williams

### Remuneration Committee

**Chair** Ann Ewing

### Members

Dame Margaret Hodge  
Nick Perryman  
Professor Julie Sanders (from 1 October 2022)  
Professor Ken Badcock (1 August 2022 to 30 September 2022)  
Ian Wilson

### Remuneration Committee: Vice-Chancellor and Principal's and Secretary to Council's Pay Committee

**Chair** Ann Ewing

### Members

Dame Margaret Hodge  
Nick Perryman  
Ian Wilson

### Remuneration Committee: Chair of Council Pay Committee

**Chair** Ann Ewing

#### **Members**

Nick Perryman  
Ian Wilson

### Strategy and Governance Committee

**Chair** Dame Margaret Hodge

#### **Ex officio members**

Ann Ewing  
Professor Michael Farthing  
Gerry O'Hagan  
Nick Perryman  
Professor Julie Sanders (from 1 October 2022)  
Professor Ken Badcock  
(1 August 2022 to 30 September 2022)  
Balram Veliath  
Ian Wilson

#### **Co-opted members**

Sarah King  
Tim Mitchell (from 31 May 2023)

### Students, Education and Research Committee

**Chair** Gerry O'Hagan

#### **Ex officio members**

Professor Julie Sanders (from 1 October 2022)  
Professor Ken Badcock  
(1 August 2022 to 30 September 2022)  
Maia Jarvis, Academic year 2022/23  
Hannah Hockin, Academic year 2023/24  
Shrijeet Shrey, Academic year 2022/23  
Sharanya Sivarajah, Academic year 2023/24  
Nick Perryman

#### **Other members**

Dame Sally Dicketts  
Ann Ewing  
Professor Bob Fitzgerald  
Sarah Honeycombe  
Sarah King  
David Walker

#### **Co-opted members**

Peter Saraga (to 23 February 2023)  
Denise Brown





# Corporate governance

## Statement of Primary Responsibilities

The Council of Royal Holloway has adopted the CUC Higher Education Code of Governance (2020). The Council's Statement of Primary Responsibilities in place during the reporting period is as follows:

### Planning Monitoring and Control:

- i. To approve and contribute to the mission, strategic vision and values of the institution, which have been proposed by the Senior Leadership Team, ensuring compliance with the RHBNC Act (the Act) and the charitable objectives of the University.
- ii. To approve long-term academic and business plans and key performance indicators and ensure that these meet the interests of all stakeholders, especially staff, students and alumni.
- iii. To delegate authority to the Vice-Chancellor and Principal, as Chief Executive, for the academic, corporate, financial, estate and human resource management of the University, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor and Principal.
- iv. To reserve powers as defined in the Schedule of Delegations to ensure Council is meeting its obligations in key governance areas.
- v. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, external reporting procedures, value for money arrangements and processes for handling internal grievances and managing conflicts of interest.
- vi. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University and the Senior Leadership Team against the strategy, operating plan and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- vii. To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
- viii. To ensure that the Act and statutes of the University, and the statutes, regulations and ordinances of the University of London are always followed, and that

appropriate advice is available to enable this to happen.

- ix. To conduct its business, wherever relevant and possible, in accordance with best practice in higher education corporate governance and the principles of public life drawn up by the Committee on Standards in Public Life.
- x. To safeguard the good name and values of the University.

### Appointment and employment:

- xi. To appoint the Vice-Chancellor and Principal as Chief Executive, determine their remuneration and to put in place suitable arrangements for monitoring their performance.
- xii. To appoint a Secretary to the Council, determine their duties and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
- xiii. To be the employing authority for all staff in the University and to be accountable for ensuring that an appropriate human resources strategy is established and deployed.

### Financial and Legal:

- xiv. To be the principal financial and business authority of the University, to ensure that proper accounts are maintained, to approve the annual budget and financial statements and to have overall responsibility for the University's assets, property, estate and investment policy.
- xv. To be the University's legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name. This includes responsibility for health, safety and security and for equality, diversity and inclusion.
- xvi. To ensure that any property, legacy, endowment, bequest or gift made to the University is used to support its work.

### Student and Staff Welfare:

- xvii. To receive assurance that adequate provision has been made for the general welfare of students.

# Corporate governance

- xviii. To promote a culture which supports inclusivity and diversity across the University.
- xix. To maintain and protect the principles of academic freedom and freedom of speech legislation.
- xx. To ensure that the governance and management of the University is accessible by all students and staff.

## Financial Statements and Accounting Records

The members of Council are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that the financial statements are prepared in accordance with the University's Statutes, the Statement of Recommended Practice on Accounting in Higher Education Institutions and UK Generally Accepted Accounting Practice (UK GAAP). In addition, in accordance with ongoing conditions of Office for Students registration, Council through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view, in accordance with UK GAAP, of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Council has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable UK accounting standards have been followed; and
- Financial statements are prepared on the going concern basis.

## Council has taken reasonable steps to:

- Ensure that funds from the Office for Students and Research England are used only for purposes for which they have been given and in accordance with the Terms and Conditions of Funding with the Office for Students and the Terms and Conditions of Research England and any other conditions which they may from time to time prescribe;
- Ensure management controls, including appropriate systems of approval, are in place to safeguard public funds and funds from other sources;

- Safeguard the assets of the University and to prevent and detect fraud and other irregularities; and
- Secure the economical, efficient and effective management of the University's resources and expenditure.

## Going concern

The University achieved an operating surplus of £4.3m with cash and short term investments of £101.5m.

The budget for 2023/24 delivers a deficit of £2.5m.

Cash levels at the start of 2023/24 are sound and the budget ensures that cash is not forecast to fall below the OfS 30-day limit at any point during the going concern period. The budget for 2023/24 delivers a clearance of over £9.8m on all three loan covenants. Variations in student numbers have been modelled and a plan is in place to manage staff numbers dependent on the final student recruitment outcome.

The main financial risks to the University are student recruitment and retention and increased costs due to high levels of inflation. The impact of these risks has been modelled and budgetary assumptions stress tested. Mitigating actions are being planned, should they be required.

In conclusion, in the light of the University's risk analysis and mitigating actions, Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

## Internal control

The key elements of the University system of internal financial control, which are designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative schools and departments;
- A comprehensive medium and short-term planning process, supplemented by income and expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns;

- Clearly defined and formalised requirements for the approval and control of expenditure, with major investment decisions being subject to detailed appraisal and review;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance Committee and the Council; and
- A professional Internal Auditor whose annual programme of work is approved by the Audit, Risk and Compliance Committee.

Financial statements are published on the University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the University's website is the responsibility of Council. Council's responsibility also extends to the ongoing integrity of the financial statements contained therein.

The governing body of the University is Council. Council has a Chair and two Vice Chairs, who are not members of staff or students. The Vice-Chancellor and Principal, who is the chief academic and administrative officer of the University, is appointed by Council.

Council ensures that the University is governed in accordance with the Royal Holloway & Bedford New College Act 1985, its Statutes and Regulations, and under ongoing conditions of registration. Council's role is to set the strategic direction of the University and, through the receipt of reports from its committees and officers, to be assured that its day-to-day operation is proceeding satisfactorily.

Council has responsibility for maintaining and reviewing an effective system of internal control and for supporting the achievement of the University's policies, aims and objectives, while safeguarding the public funds and other assets for which it is responsible. The system of internal control is designed to manage rather than eliminate the risk of not achieving policies, aims and objectives; it can, therefore, only provide a reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up

to the date of approval of the financial statements, and accords with Office for Students guidelines. The process is reviewed by the Council's Strategy and Governance Committee and the Audit, Risk and Compliance Committee, which reports directly to Council. Council acknowledges continual improvements are required to its system of internal control and is committed to implementing necessary enhancements to the control environment.

The University's Strategic Risk Framework for the management of major operational, compliance and finance risks has been approved by Council. Council's Audit, Risk and Compliance Committee keeps under review the effectiveness of the management of risk and receives reports on risk management and reports to Council as appropriate. Risk management is considered within the corporate planning and decision-making processes of the University. In addition to a University-wide risk register, operational risk processes are linked to operational planning at programme, departmental and project level.

Council meets, as a minimum, five times a year. Its major committees are the Strategy and Governance Committee, the Finance Committee, the People Committee, the Remuneration Committee, the Audit, Risk and Compliance Committee and the Students, Education and Research Committee. All of these committees are formally constituted, with terms of reference, and include independent members of Council. Independent members chair all of these committees.

The University is driven by the ambition reflected in its Strategy and the key outcomes set out there. Predominantly these are about continuously improving the University's effectiveness, while being ever mindful to ensure the economic, efficient and sustainable use of resources. To this end the University monitors and assesses activities against a broad definition of value for money including economy, efficiency, effectiveness and equity.

During 2022/23 University committees have operated as follows:

The Council Strategy and Governance Committee is responsible for ensuring appropriate oversight of strategic priorities. It appoints the members of the principal committees and oversees Council's effectiveness. It also makes nominations to Council for the conferral of honorary degrees and fellowships. The Committee takes

# Corporate governance

responsibility on behalf of Council for the recruitment and appointment of the Vice-Chancellor and Principal, the Secretary to Council and Council members.

The Finance Committee provides Council with financial oversight of the University's activities and provides advice on the financial management of the University, as well as overseeing the University's investment portfolios, through the Investment Sub-committee. It recommends to Council the annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The People Committee provides Council with assurance on matters relating to University staff including overall human resources strategy, equality and diversity, staff well-being and health and safety.

The Remuneration Committee determines the remuneration of members of staff with base pay in excess of £100k and follows the guidance of the CUC Remuneration code. It also approves or determines severance arrangements for members of staff within its remit. There are two Sub-committees to the Remuneration Committee: Vice-Chancellor and Principal and Secretary to Council's Pay Committee which determines pay arrangements for the Vice-Chancellor and Principal and Secretary to Council; and the Chair of Council's Remuneration Committee which ensures that any payment to the Chair of Council has the necessary approval from internal and external bodies and that the University complies with any guidance from the Charity Commission.

The Students, Education and Research Committee provides Council with assurance on the University's dual purpose of education and research, on the quality of the student experience and on the wellbeing of, and support for, students.

The Audit, Risk and Compliance Committee normally meets five times each year, including a meeting with the External Auditors to discuss audit findings, and with the Internal Auditor to consider detailed internal audit reports and recommendations for the improvement of systems of internal control, together with management's response and implementation plans. It also receives and considers reports from the Office for Students as they affect the University's business and monitors adherence with the regulatory requirements. It reviews the annual financial statements together with the accounting policies.

Whilst senior officers attend meetings of the Audit, Risk and Compliance Committee as necessary, they are not members of the Committee, and the Committee has the opportunity to meet with the External and Internal Auditors on their own for separate discussions.

The University has an externally-delivered Internal Audit service. The Internal Auditor submits regular reports to the Audit, Risk and Compliance Committee including an annual report which is included in the Committee's report to Council and the Accountable Officer. The reports to the Audit, Risk and Compliance Committee include the Internal Auditors' opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

The Internal Auditors' opinion for 2022/23 was that governance, risk management and control in relation to business-critical areas is generally satisfactory (reasonable/moderate assurance). However, there are some areas of weakness and non-compliance in the framework of governance, risk management and control which potentially put the achievement of objectives at risk.

Out of seven internal audit assignments undertaken during the year, two were rated high risk, four were rated medium risk and one was rated low risk. Council agrees that improvements are required in some areas and is committed to enhance the adequacy and effectiveness of governance, risk management and control. Action plans are in place which aim to address the concerns raised and prioritise any outstanding management actions.

Council's view of the effectiveness of the system of internal control is informed by the work of the Internal Auditor and the managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their management letter and in other reports.

All of the current Council members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the University's auditors for the purposes of their audit and to establish that the auditors are aware of that information. Council members are not aware of any relevant audit information of which the auditors are unaware.

Dame Margaret Hodge  
Chair of Council  
15 December 2023

# Independent auditor's report to the Council of Royal Holloway and Bedford New College

## Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2023 and of the University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Royal Holloway and Bedford New College ("the University") for the year ended 31 July 2023 which comprise the statement of comprehensive income, the statement of changes in reserves, the statement of financial position, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

## Basis for opinion

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

## Independence

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

## Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast

significant doubt on the 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 Council members with respect to going concern are described in the relevant sections of this report.

## Other information

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

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

# Independent auditor's report to the Council of Royal Holloway and Bedford New College

- The University's grant and fee income, as disclosed in note 6 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 11b to the accounts, has been materially misstated.

## Responsibilities of Council

As explained more fully in the Financial Statements and Accounting Records section of the Corporate Governance section set out on page 33, the Council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design

procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## Non-compliance with laws and regulations

Based on:

- Our understanding of the University and the sector in which it operates;
- Discussions with management and those charged with governance;
- Obtaining and understanding of the University's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer.

We considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The University is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be compliance with the ongoing conditions of registration with the Office for Students.

Our procedures in respect of the above included:

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

## Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be posting of inappropriate journal entries and management bias in accounting estimates.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation; and
- Assessing significant estimates made by management for bias, including their assessment of indicators of impairment, the actuarial assumptions used in the calculation of the Universities Superannuation Scheme liability, calculations of bad debt provisions and the useful economic lives of tangible fixed assets.

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

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery,

misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

### Use of our report

This report is made solely to the Council members, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council members as a body, for our audit work, for this report, or for the opinions we have formed.

Paula Willock (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK

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

# Statement of comprehensive income

Year ended 31 July 2023

	Notes	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
<b>Income</b>			
Tuition fees and education contracts	3	136,722	125,865
Funding body grants	4	22,578	21,135
Research grants and contracts	5	15,756	17,785
Other income	6	35,238	33,999
Investment income	7	5,155	1,724
Donations and endowments	8	655	595
<b>Total income</b>		<b>216,104</b>	<b>201,103</b>
<b>Expenditure</b>			
Staff costs	9	117,426	108,887
Staff costs - pension provision	9	(13,554)	41,842
Other operating expenses	11	75,611	59,342
Amortisation of intangible fixed assets	13	1,394	869
Depreciation	15	24,303	16,916
Interest and other finance costs	10	6,632	4,591
<b>Total expenditure</b>		<b>211,812</b>	<b>232,447</b>
<b>Surplus/(deficit) before other gains and losses</b>		<b>4,292</b>	<b>(31,344)</b>
Gain/(loss) on disposal of fixed assets		808	(14)
Loss on investments and College collections	21	(4,272)	(1,550)
<b>Surplus/(deficit) before tax</b>		<b>828</b>	<b>(32,908)</b>
Taxation	12	(111)	142
<b>Surplus/(deficit) for the year</b>		<b>717</b>	<b>(32,766)</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(expenditure) for the year</b>		<b>717</b>	<b>(32,766)</b>
Represented by:			
Endowment comprehensive expenditure for the year		(4,566)	(1,550)
Restricted comprehensive income for the year		340	392
Unrestricted comprehensive income/(expenditure) for the year		4,943	(31,608)
		<b>717</b>	<b>(32,766)</b>

The surplus/(deficit) and total comprehensive income/(expenditure) for the year relate to continuing activities.

The notes on pages 44 to 66 form part of the financial statements.



# Statement of changes in reserves

Year ended 31 July 2023

	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i> £000	<i>Restricted</i> £000	<i>Unrestricted</i> £000	£000	£000
<b>Balance at 1 August 2021</b>	<b>87,690</b>	<b>33</b>	<b>80,443</b>	<b>124,894</b>	<b>293,060</b>
(Deficit)/surplus from the income and expenditure statement	(1,550)	392	(31,608)	-	<b>(32,766)</b>
Release of restricted funds spent in year	-	(425)	425	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
	(1,550)	(33)	(30,872)	(311)	<b>(32,766)</b>
<b>Balance at 1 August 2022</b>	<b>86,140</b>	<b>-</b>	<b>49,571</b>	<b>124,583</b>	<b>260,294</b>
(Deficit)/surplus from the income and expenditure statement	(4,566)	340	4,943	-	<b>717</b>
Release of restricted funds spent in year	-	(340)	340	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
<b>Total comprehensive (expenditure)/income for the year</b>	<b>(4,566)</b>	<b>-</b>	<b>5,594</b>	<b>(311)</b>	<b>717</b>
<b>Balance at 31 July 2023</b>	<b>81,574</b>	<b>-</b>	<b>55,165</b>	<b>124,272</b>	<b>261,011</b>

The notes on pages 44 to 66 form part of the financial statements.

# Statement of financial position

as at 31 July 2023

		Year ended 31 July 2023	Year ended 31 July 2022
	Notes	£000	£000
<b>Non-current assets</b>			
Intangible assets	13	4,994	5,105
Investments	14	51,242	54,304
Fixed assets	15	361,014	373,737
		<u>417,249</u>	<u>433,146</u>
<b>Current assets</b>			
Stock		259	242
Debtors	16	12,609	15,149
Investments	17	70,462	60,000
Cash and cash equivalents		30,984	28,273
		<u>114,314</u>	<u>103,664</u>
Less: Creditors: amounts falling due within one year	18	(51,227)	(49,863)
<b>Net current assets</b>		<u>63,087</u>	<u>53,801</u>
Creditors: amounts falling due after more than one year	19	(156,525)	(157,906)
<b>Provisions</b>			
Provisions for liabilities	20	(62,800)	(68,747)
<b>Total net assets</b>		<u>261,011</u>	<u>260,294</u>
<b>Restricted Reserves</b>			
Income and expenditure reserve - endowment reserve	21	81,574	86,140
Income and expenditure reserve - restricted reserve	22	-	-
<b>Unrestricted Reserves</b>			
Income and expenditure reserve - unrestricted		55,165	49,571
Revaluation reserve		124,272	124,583
<b>Total Reserves</b>		<u>261,011</u>	<u>260,294</u>

The financial statements were approved and authorised for issue by the Governing Body on 15 December 2023 and were signed on its behalf on that date by:

**Dame Margaret Hodge, Chair of Council**

**Professor Julie Sanders, Vice-Chancellor and Principal**

The notes on pages 44 to 66 form part of the financial statements.

# Cash flow statement

Year ended 31 July 2023

		Year ended 31 July 2023	Year ended 31 July 2022
	Notes	£000	£000
<b>Cash flow from operating activities</b>			
Deficit for the year before tax		828	(32,908)
<b>Adjustment for non-cash items</b>			
Amortisation of intangible assets	13	1,394	869
Depreciation	15	24,303	16,916
Revaluation of fixed assets	15	4,272	-
Increase in stock		(17)	(38)
Decrease/(increase) in debtors	16	2,542	(1,360)
Decrease in creditors	18	(1,403)	(4,564)
(Decrease)/increase in provisions	20	(5,947)	41,768
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(5,155)	(1,724)
Interest payable	10	4,358	4,359
(Gain)/loss on disposal of tangible fixed assets	15	(768)	14
Capital grant amortisation		(2,709)	(2,752)
<b>Cash flows from operating activities</b>			
Taxation		(111)	142
<b>Net cash inflow from operating activities</b>		<b>21,587</b>	<b>22,272</b>
<b>Cash flows from investing activities</b>			
Capital grants receipts		2,630	1,386
Investment income	7	5,155	1,724
Payments made to acquire intangible assets	13	(1,283)	(686)
Payments made to acquire tangible fixed assets	15	(10,485)	(9,335)
Proceeds from sales of tangible fixed assets	15	1,136	-
Proceeds of investments	14	12,106	9,464
Purchase of investments	14	(13,315)	(8,868)
Increase in current asset investments during the year	17	(10,462)	(28,200)
		<b>(14,518)</b>	<b>(34,515)</b>
<b>Cash flows from financing activities</b>			
Interest paid	10	(4,358)	(4,359)
		<b>(4,358)</b>	<b>(4,359)</b>
		<b>2,711</b>	<b>(16,602)</b>
Cash and cash equivalents at beginning of the year		28,273	44,875
Cash and cash equivalents at end of the year		30,984	28,273
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>2,711</b>	<b>(16,602)</b>

The notes on pages 44 to 66 form part of the financial statements.

# Notes to the financial statements

for the year ended 31 July 2023

## 1 Statement of Principal Accounting Policies

### i Basis of preparation

These financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and other applicable accounting standards. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards.

### ii Going concern

The University achieved an operating surplus of £4.3m with cash and short term investments of £101.5m.

The budget for 2023/24 delivers a deficit of £2.5m.

Cash levels at the start of 2023/24 are sound and the budget ensures that cash is not forecast to fall below the OfS 30-day limit at any point during the going concern period. The budget for 2023/24 delivers a clearance of over £9.8m on all three loan covenants. Variations in student numbers have been modelled and a plan is in place to manage staff numbers dependent on the final student recruitment outcome.

The main financial risks to the University are student recruitment and retention and increased costs due to high levels of inflation. The impact of these risks has been modelled and budgetary assumptions stress tested. Mitigating actions are being planned, should they be required.

In conclusion, in the light of the University's risk analysis and mitigating actions, Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

### iii Basis of preparation

The financial statements include the University only this year, as its subsidiary undertaking Royal Holloway Enterprise Limited has been dormant for the financial year to 31 July 2023.

### iv Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of 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.

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

Revenue government grants including funding council block and government research grants are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Capital government grants are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates.

Capital and revenue grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Donations and endowments are recognised within the Statement of Comprehensive Income when the University is entitled to the income.

Income from donations and endowments with donor-imposed restrictions 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.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restriction applied to the individual endowment fund.

### v Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). 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.

The USS and SAUL are multi-employer schemes for which it is not possible to identify the assets and liabilities to University as members due to the mutual nature of the scheme and therefore the schemes are accounted for as defined contribution retirement benefit schemes.

A liability is recorded within provisions for any contractual commitment to fund past service deficits.

#### **vi 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 University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

#### **vii Operating leases**

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

#### **viii Foreign currency**

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

#### **ix Fixed and intangible assets**

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their expected useful lives, usually fifty years.

Leasehold land and buildings are depreciated over the remaining life of the lease.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University and are depreciated over the period of the expected future benefits. This is usually twenty years for services and ten years for minor works.

For student residences where a cyclical refurbishment programme is in place, the original costs of the components are depreciated over their useful lives of five to twelve years, as appropriate, and the refurbishment spend is capitalised and depreciated in the same way.

No depreciation is charged on assets in the course of construction.

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

#### **College Collections**

The University houses a collection of paintings gifted by Thomas Holloway, the founder of Royal Holloway College.

The pictures are included in the balance sheet within fixed assets. An external professional valuation of the main collection was carried out in 2019, with an update valuation in 2022; the valuation is assessed on the basis

of high auction value. The University also has a secondary collection that includes items by and from the collection of Christiana Herringham presented to Bedford College in 1918 and acquired on merger with Bedford College in 1985 along with various other items purchased, commissioned and donated which do not form part of the main collection in the picture gallery. An external valuation of this collection was last carried out in June 2019. College collections also include a number of high value musical instruments. A professional valuation of all collections will continue to be carried out at least once every five years, with an update in year three, also performed by a qualified valuer.

#### **Equipment**

Equipment, including computers and software, costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over five years or its expected useful life if this is different.

Furniture and fittings are written off in the year of acquisition, except the costs of furniture and fittings for a new building or major refurbishment which are capitalised and depreciated over the expected lifetime of the asset, usually ten years.

Software costs that are directly attributable to bringing an item of hardware into productive use, such as laboratory equipment and computer operating systems, are classified as tangible fixed assets, and are depreciated over the same life as the hardware or equipment.

#### **Intangible assets**

Networked applications software that is provided using virtual server architecture, is classified as an intangible fixed asset and is depreciated over five years.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

#### **Investments**

Fixed asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

#### **x Cash and cash equivalents**

Cash includes cash in hand, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value, typically with a term less than three months.

#### **xi Taxation**

The University 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 University is potentially exempt from taxation in respect of income or capital gains

# Notes to the financial statements

## for the year ended 31 July 2023

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 University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary, Royal Holloway Enterprise Limited, is liable to Corporation Tax in the same way as any other commercial organisation.

### xii Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity.

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

#### Founder's Endowment Fund

The Founder's Endowment Fund was created from the proceeds of the sale of three pictures from the collection and is held in a separate trust. Income from the Fund is credited to the Statement of Comprehensive Income on a receivable basis. Income is applied in accordance with the purposes of the Scheme; any unapplied income is disclosed as a restricted reserve.

### xiii Financial assets

Financial assets, other than investments are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

### xiv Financial liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

### xv Finance costs

Finance costs are charged to surplus or deficit over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements Council have made the following judgements:

- Determine whether leases entered into by 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.
- Determine whether there are indicators of impairment of the University's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance. As explained in Note 15, based on an external professional valuation, the land at Rusham Park has been valued on a residual value basis at £8.1m. See Note 15 which sets out the basis of the estimate of impairment.
- Some of the research contracts are done in collaboration with other research institutions. Where these arrangements are entered into with Royal Holloway being the lead Institute, the funding agreement entered into is solely between the funding body and the University. However, in our judgement such arrangements are entered into so that the University is acting as an agent to the other organisations named in the funding application. As a result, the funds paid to the collaborators are netted off the income received. If this judgement were not applied, both income and expenditure would be £1.2m higher than that stated in these financial statements.

#### Other key sources of estimation uncertainty

- The liability for the contributions in respect of the past service deficits of its USS and SAUL defined benefit schemes, and the assumptions for calculating these liabilities, will be covered by the recovery plans agreed following the most recent valuations in place at the balance sheet date.

- Trade receivables (see note 16)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on individual debtor balances to consider whether each debt is recoverable.

- Tangible fixed assets (see note 15)

Tangible fixed assets, other than investment properties, are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as the condition and future use of the asset are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal value.

	Notes	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
<b>3 Tuition fees and education contracts</b>			
Full-time Home students		84,414	81,744
Full-time international students		43,825	36,286
Part-time students		678	660
Research Training Support Grant		4,240	3,963
Short course and Other fees		3,565	3,212
		<b>136,722</b>	<b>125,865</b>
<b>4 Funding body grants</b>			
<b>Recurrent grant</b>			
Office for Students - Teaching		2,817	2,952
Research England - Research		15,634	14,542
<b>Specific grants</b>		<b>1,232</b>	<b>1,216</b>
<b>Deferred capital grants released in year:</b>			
Capital grant - Buildings		1,646	1,346
Capital grant - Equipment		1,249	1,079
		<b>22,578</b>	<b>21,135</b>
Income from funding body grants includes £2.7m in respect of capital grants released in the year (2021/22: £2.8m).			
<b>5 Research grants and contracts</b>			
Research councils		9,599	11,773
Research charities		1,580	1,309
Government (UK and overseas)		3,622	2,770
Industry and commerce		441	1,266
Other		514	667
		<b>15,756</b>	<b>17,785</b>
<b>6 Other income</b>			
Residences, catering and conferences		27,294	24,280
Other services rendered		2,641	5,142
Other income		5,303	4,577
		<b>35,238</b>	<b>33,999</b>
Other income includes £0k (2021/22: £23k) income from the government's Coronavirus Job Retention Scheme (furlough) and £328k funding from the Turing Scheme (2021/22: £232k) to provide international educational opportunities for students.			
<b>Grant and Fee income</b>			
Grant income from the OfS		5,712	5,377
Grant income from other bodies		16,866	15,758
Fee income for research awards (exclusive of VAT)		15,756	17,785
Fee income from non-qualifying courses (exclusive of VAT)		7,805	7,175
Fee income for taught awards (exclusive of VAT)		128,918	118,690
		<b>175,057</b>	<b>164,785</b>
<b>7 Investment income</b>			
Investment income on endowments	21	1,534	1,376
Other investment income		3,621	348
		<b>5,155</b>	<b>1,724</b>

# Notes to the financial statements

for the year ended 31 July 2023

	Notes	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
<b>8 Donations and endowments</b>			
Donations with restrictions	22	340	392
Unrestricted donations		315	203
		<b>655</b>	<b>595</b>

		Year ended 31 July 2023 £000	Year ended 31 July 2022 £000
<b>9 Staff costs</b>			
Staff Costs :			
Salaries		84,005	77,746
Social security costs		8,478	8,598
Movement on Pension Provisions		(13,554)	41,842
Other pension costs		24,943	22,543
Total		<b>103,872</b>	<b>150,729</b>

In 2020/21 the Principal waived part of his salary which contributed to the Student Hardship Fund.

	Year ended 31 July 2023 £000	Year ended 31 July 2022 £000	Year ended 31 July 2022 £000
	Julie Sanders 1 October 2022 to 31 July 2023	Ken Badcock 1 August 2022 to 30 September 2022	Paul Layzell Year to 31 July 2022
Basic	209	35	301
Taxable benefits - accommodation running costs	-	-	4
Taxable benefits - accommodation costs	-	-	16
Pension contributions	45	8	17
Total	254	43	338

Pay multiples – the ratio between the Principal's pay and the average pay of other staff at the institution:

Basic Salary ratio	7.1	6.0	8.7
Total Remuneration ratio	7.2	6.1	9.3

The median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff, including casual, agency and contract staff. The median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

Professor Paul Layzell retired from his role as Principal on 31 July 2022. His total earnings were £117k in the year to 31 July 2023 in the role of Senior Vice-Principal (External Engagement).

The University is a multi-faculty Higher Education Institution, offering undergraduate and postgraduate degrees and carrying out academic research. It is one of seventeen self-governing universities and eight smaller specialist research institutes of the University of London. It is financially independent, competes internationally, and has a diverse student population from over 140 countries. The University is a Charity Incorporated in the United Kingdom by Act of Parliament: Royal Holloway and Bedford New College Act 1985. The University has an annual

income of £216m and educates 11,921 FTE students and employs an average of 1,739 FTE staff. It is recognised consistently as being one of the top UK universities in major league tables, currently being ranked in the top 30, and excellent research informs its teaching.

The Vice-Chancellor and Principal and Secretary to Council Pay Committee determines the remuneration and benefits of the Vice-Chancellor and Principal on appointment and annually thereafter. The Committee is chaired by a Vice-Chair of Council. Membership includes the Chair of Council, the second Vice-Chair of Council, and the Chair of the Finance Committee. The Committee are responsible for ensuring that the decisions about remuneration and benefits are in line with the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code and in particular that they are fair, appropriate and justifiable. The Vice-Chancellor and Principal has no involvement in this committee.



## 9 Staff costs (continued)

When reviewing the salary of the Vice-Chancellor and Principal, the Committee considers the financial context, pay relativities, pay trends and performance as set out in its terms of reference. The financial context includes consideration of the pay settlement reached through the Joint Negotiating Committee for Higher Education Staff (JNCHES) and the University's financial position. The Senior Staff Remuneration Survey conducted by the Universities and Colleges Employers Association (UCEA) and the CUC Survey of Vice Chancellors' Remuneration provide external benchmark data for equivalent roles nationally and internationally as well as providing insight on pay trends. The committee also consider internal relativities including the pay multiples calculated as part of the annual financial statements.

The third element considered by the Committee is the Vice-Chancellor and Principal's performance following the annual review by the Chair of Council alongside the overall performance of the University.

Professor Julie Sanders was appointed to the role of Vice-Chancellor and Principal from 1 October 2022. A decision was taken at the time that accommodation would no longer be provided as part of the overall remuneration offer. There has been no pay review in the year ended July 2023.

Professor Ken Badcock served as Interim Principal in August and September 2022 with the salary reflecting the short term nature of this appointment.

### Remuneration of higher-paid staff

	Year ended 31 July 2023	Year ended 31 July 2022
	Number	Number
£100,000 to £104,999	38	13
£105,000 to £109,999	17	12
£110,000 to £114,999	5	6
£115,000 to £119,999	2	7
£120,000 to £124,999	9	4
£125,000 to £129,999	4	1
£130,000 to £134,999	1	2
£135,000 to £139,999	2	2
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £154,999	1	-
£155,000 to £159,999	-	2
£160,000 to £164,999	1	-
£165,000 to £169,999	1	1
£170,000 to £174,999	-	1
None: £175,000 to £249,999	-	-
£250,000 to £254,999	1	-
None: £255,000 to £299,999	-	-
£300,000 to £304,999	-	1

The analysis shows the number of staff with a full-time equivalent basic salary of over £100,000 as at 31 July. Where staff are on reduced pay due to parental, maternity or sickness leave, or work part time, this is disclosed on a full-time equivalent basis. Staff have joined or left during the year are excluded. Any visiting lecturers disclosed have been aligned with university standard payscales. The increase in staff within the £100,000 to £104,999 band during 2023 is primarily due to University wide cost of living pay increases.

# Notes to the financial statements

## for the year ended 31 July 2023

### 9 Staff costs (continued)

Employees are able to opt for a reduced contractual salary, with the University then making the pension contribution, formerly paid by the employee, as additional employer's contributions. Staff costs reflect the reduced contractual salary and increased employer contribution of £7.5m (2021/22 £6.7m) in total, as applicable.

The emoluments of the Vice-Chancellor and Principal and remuneration of other higher paid staff are shown prior to any salary sacrifice.

	Year ended 31 July 2023	Year ended 31 July 2022
<b>Average FTE staff numbers by major category :</b>	<b>Number</b>	<b>Number</b>
Academic, Research and Other	882	849
Management & specialist	460	428
Technical	68	69
Other	329	325
	<b>1,739</b>	<b>1,671</b>

From 2021/22 onwards staff numbers align with the University's Higher Education Statistics Agency (HESA) return.

The total amount of compensation for loss of office across the University was £0.6m (2021/22 £0.6m), for 34 members of staff (2021/22 29).

	Year ended 31 July 2023	Year ended 31 July 2022
	<b>£000</b>	<b>£000</b>
Key management personnel compensation	<b>3,131</b>	<b>3,339</b>

From 2021-22 onwards, key management personnel comprise the University's Executive Board.

#### Council Members

The University's council members are the trustees for charitable law purposes.

In 2022/23 expenses of £1,119 (2021/22 £915) were paid to 6 (2021/22 4) non-staff trustees for travel, subsistence and business entertaining.

Apart from those disclosed in note 28 there are no related party transactions relating to Council Members to be disclosed.

The Chair of Council, Dame Margaret Hodge, received honorarium payments totalling £20,000 (gross) during 2022/23 (2021/22: £20,000). The Chair of Council's Remuneration Committee ensures that any payment to the Chair of Council has the necessary approval from internal and external bodies and that the University complies with any guidance from the Charity Commission.

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>10 Interest and other finance costs</b>		
Loan interest	4,358	4,359
	<u>4,358</u>	<u>4,359</u>
Net charge on pension scheme	2,274	232
	<u>6,632</u>	<u>4,591</u>

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>11 Analysis of total expenditure by activity</b>		
Academic, research and related expenditure	23,912	20,775
Administration and central services	15,076	14,524
Premises	16,782	13,518
Residences, catering and conferences	1,461	1,037
Other expenses	18,380	9,488
	<u>75,611</u>	<u>59,342</u>

Other operating expenses include:

External auditors remuneration in respect of audit services (excluding VAT)	95	70
External auditors remuneration in respect of non-audit services (excluding VAT)	9	7

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>11b Access and Participation (i)</b>		
Access Investment	1,889	1,814
Financial Support	3,738	3,553
Disability Support	130	62
Research and Evaluation	192	179
	<u>5,949</u>	<u>5,608</u>

(i) £1.7m of these costs are already included in the overall staff costs figures included in the financial statements, see note 9.

The University has spent £5.9m on reportable Access and Participation expenditure during 2022-23 (£5.6m in 2021-22). Expenditure on Student Success and Progression is no longer reported externally. Access and Participation expenditure delivers support that takes into account the needs of students, especially students from under-represented groups, including equal access to education and opportunity, financial support (bursaries and hardship funds), support for students with a disability and research and evaluation in order to improve access and participation overall.

The University's Access and Participation Plan can be found here [royalholloway.ac.uk/studying-here/schools-and-colleges/widening-access/](http://royalholloway.ac.uk/studying-here/schools-and-colleges/widening-access/)

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
<b>12 Taxation</b>		
<b>Recognised in the statement of comprehensive income</b>		
<b>Current tax</b>		
International taxes	111	(142)
<b>Current tax expense</b>	<u>111</u>	<u>(142)</u>

As explained in the accounting policies, the University is potentially exempt from taxation because of its charitable status and no taxation on income or capital gains was payable for 2022/23 or 2021/22. Tax charges were due in 2022/23 of £111k in relation to international liabilities.

# Notes to the financial statements

for the year ended 31 July 2023

## 13 Intangible assets

	<b>Total</b>
	<b>£000</b>
<b>Networked Application Software</b>	
<b>Cost</b>	
At 1 August 2022	9,950
Additions in the year	1,283
At 31 July 2023	<u>11,233</u>
<b>Amortisation</b>	
At 1 August 2022	4,845
Amortisation charge for the year	1,394
At 31 July 2023	<u>6,329</u>
<b>Net book value</b>	
At 31 July 2023	<u>4,994</u>
At 31 July 2022	<u>5,105</u>

## 14 Investments

<b>Endowment Assets</b>	
At 1 August 2022	54,304
Additions	13,315
Disposals	(12,169)
Loss on Investments	(4,208)
At 31 July 2023	<u>51,242</u>

Endowment assets comprise equities, fixed interest bonds, property, cash and unitised funds.

Name	Country of Incorporation	Principal Activity	% of shares held by
<b>Subsidiary Undertakings</b>			
Royal Holloway Enterprise Limited (dormant)	Great Britain	Consultancy	100
<b>Associates and Joint ventures</b>			
Abatis (UK) Limited	Great Britain	Business and domestic software development	19
Seclea Ltd	Great Britain	Business and domestic software development	5.32

Abatis (UK) Limited went into liquidation / administration in July 2021.

The University holds 99 shares in Royal Holloway Enterprise Limited, the remaining share is held by a nominee on behalf of the University. The company is now dormant.

The cost and net book value of Fixed Asset Investments are less than £1,000.

The Council considers that the fair value of fixed asset investments is not materially different to cost.

## 15 Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	College Collections	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total Tangible Assets
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 August 2022	434,045	7,660	30,371	72,319	5,827	550,222
Additions	2,873	14	-	2,625	6,435	11,947
Completed Assets	5,134	21	-	2,877	(8,090)	(58)
Transfer	-	(366)	-	366	-	-
Change in Market Value	-	-	11	-	-	11
Disposals	(361)	-	-	(51)	(168)	(580)
<b>At 31 July 2023</b>	<b>441,691</b>	<b>7,329</b>	<b>30,382</b>	<b>78,136</b>	<b>4,004</b>	<b>561,542</b>
<b>Consisting of valuation as at:</b>						
31 July 2023	172,706	1,800	30,382	795	-	205,683
Cost	268,985	5,529	-	77,341	4,004	355,859
	<b>441,691</b>	<b>7,329</b>	<b>30,382</b>	<b>78,136</b>	<b>4,004</b>	<b>561,542</b>
<b>Depreciation</b>						
At 1 August 2022	121,901	4,910	-	49,674	-	176,485
Charge for the year	10,530	355	-	5,456	-	16,341
Impairment	7,584	378	-	-	-	7,962
Disposals	(208)	-	-	(51)	-	(259)
<b>At 31 July 2023</b>	<b>139,807</b>	<b>5,643</b>	<b>-</b>	<b>55,079</b>	<b>-</b>	<b>200,529</b>
<b>Net book value</b>						
<b>At 31 July 2023</b>	<b>301,884</b>	<b>1,687</b>	<b>30,382</b>	<b>23,057</b>	<b>4,004</b>	<b>361,014</b>
At 31 July 2022	312,144	2,750	30,371	22,645	5,827	373,737

At 31 July 2023, freehold land and buildings included £130.6m (2022 £130.6m) in respect of freehold land and is not depreciated. Freehold land and building at cost included £6,664k of capitalised finance costs (2022 £6,664K).

Assets in the course of construction include £nil of capitalised finance costs (2022 £nil).

The University purchased the Rusham Park site in July 2016 as a strategically important piece of land adjacent to the Egham Campus. The land was held as an investment property until the tenants vacated in 2020/2021 at which point it was transferred to freehold land and buildings at a value of £10m. The site has been cleared and plans for a third party to build 1400 student residences developed. As at 31 July 2023, the external financial environment has led to a decision to pause the residences transaction due to affordability and an impairment review undertaken. An external professional valuation by a professional property consultant considered that the fair value of the land on an in use basis could be best estimated on the basis of an 800 bed student residence scheme. This valuation assumes the following generic market-based inputs to provide a best assessment of the valuation of the land:

- Construction costs of £127K per bed;
- Finance costs of £15m;
- Developer's profit of 22% of total costs;
- Gross development value of £191K per bed.

On this basis, the land has been valued on a residual value basis at £8.1m leading to an impairment charge of £7.6m.

The total impairment includes £5.7m of previously capitalised demolition costs.

### College Collections

The University's picture collection which is displayed in the picture gallery contributes to the appeal of the venue for functions and tours. The collection was left to the College by its founder, Thomas Holloway, and is disclosed as a fixed asset. The secondary art collection has been disclosed as a fixed asset at valuation. This collection includes items by and from the collection of Christiana Herringham presented to Bedford College in 1918 and acquired on merger with Bedford College in 1985 along with various other items purchased, commissioned and donated which do not form part of the main collection in the picture gallery, as well as some high value musical instruments.

# Notes to the financial statements

for the year ended 31 July 2023

## 16 Debtors

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Amounts falling due within one year:		
Student and other trade receivables	2,595	2,939
Prepayments and accrued income	10,014	12,210
	<u>12,609</u>	<u>15,149</u>

## 17 Current Investments

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Short term deposits	<u>70,462</u>	<u>60,000</u>

## 18 Creditors: amounts falling due within one year

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Trade payables	3,478	3,614
Payments received on account	6,871	7,108
Social security and other taxation payable	4,724	4,603
Accruals and deferred income	36,154	34,538
	<u>51,227</u>	<u>49,863</u>

## 19 Creditors: amounts falling due after more than one year

	Year ended 31 July 2023	Year ended 31 July 2022
	£000	£000
Deferred capital grants	16,525	17,906
Unsecured loans	140,000	140,000
	<b>156,525</b>	<b>157,906</b>

### Analysis of secured and unsecured loans:

<b>Due within one year or on demand (Note 18)</b>	-	-
Due between one and two years	-	-
Due between two and five years	-	-
Due in five years or more	140,000	140,000
<b>Due after more than one year</b>	<b>140,000</b>	<b>140,000</b>
<b>Total secured and unsecured loans</b>	<b>140,000</b>	<b>140,000</b>

### Loans comprise the following:

Lender	Amount £000	Term	Interest rate %
PIC Private Placement	60,000	2055	3.09
Pricoa Private Placement	27,500	2035	2.97
	27,500	2040	3.17
	25,000	2045	3.26
	<u>80,000</u>		
	<u>140,000</u>		

# Notes to the financial statements

## for the year ended 31 July 2023

### 19 Creditors: amounts falling due after more than one year (continued)

	Year ended	
	31 July 2023	31 July 2022
	£000	£000
Financial instruments may be analysed as follows:		
<b>Financial Assets</b>		
Financial assets measured at fair value through profit or loss	<u>51,242</u>	<u>54,304</u>

Financial assets measured at fair value through profit or loss comprises the fixed asset investments.



## 20 Provisions for liabilities

	Obligation to fund deficit on USS Pension	Other	Total Provisions
	£000	£000	£000
At 1 August 2022	68,702	45	68,747
Utilised in year	(2,078)	-	(2,078)
Additions	(9,202)	5,333	(3,869)
<b>At 31 July 2023</b>	<b>57,422</b>	<b>5,378</b>	<b>62,800</b>

### Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	<b>US\$</b>
Discount rate	<b>5.52</b>
Inflation	<b>4.00</b>
Staff changes	<b>0.60</b>

### US\$ deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision. Further information is given in note 27.

### Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2023	Approximate impact
	£000
0.5% pa decrease in discount rate	(2,082)
0.5% pa increase in salary inflation over duration	(2,125)
0.5% pa increase in salary inflation year 1 only	(276)
0.5% increase in staff changes over duration	(2,039)
0.5% increase in staff changes year 1 only	(275)
1% increase in deficit contributions	(471)

### US\$ valuation 2023

The US\$ 2023 valuation is expected to show a funding surplus of £7.4bn compared to a deficit of £14.1bn at the 2020 valuation. The USS Trustee Board could finalise the 2023 valuation as early as mid December 2023 at which point the obligation to fund the deficit will be removed. It is likely that the provision will be released in full in 2023/24.

### Other provisions

Other provisions include expected liabilities as a result of past events, for example taxation-related costs.

# Notes to the financial statements

for the year ended 31 July 2023

## 21 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2023 Total	2022 Total
	£000	£000	£000	£000	£000
<b>Balances at 1 August 2022</b>	<b>82,594</b>	<b>3,211</b>	<b>334</b>	<b>86,139</b>	87,690
New endowments	-	-	-	-	-
Investment income	1,407	88	38	1,533	1,342
Expenditure	(1,407)	(88)	(38)	(1,533)	(1,342)
(Decrease)/increase in market value of investments	(4,076)	(248)	116	(4,208)	(1,883)
Transfer	(357)	-	-	(357)	-
Increase in valuation of College collections	-	-	-	-	333
	(4,433)	(248)	116	(4,565)	(1,550)
<b>At 31 July 2023</b>	<b>78,161</b>	<b>2,963</b>	<b>450</b>	<b>81,574</b>	86,140
<b>Analysis by type of purpose</b>					
Hilda Martindale Educational Trust	979	-	-	979	1,059
Other scholarship, prize and fellowship funds	7,122	-	450	7,572	8,087
Founder's Endowment Fund	40,047	-	-	40,047	43,410
Other funds	-	2,962	-	2,962	3,213
College collections	30,014	-	-	30,014	30,371
	78,162	2,962	450	81,574	86,140
<b>Analysis by asset</b>					
Fixed assets - College collections				30,014	30,371
Current and non-current asset investments				51,241	54,304
Cash and cash equivalents				319	1,465
				81,574	86,140

### Hilda Martindale Educational Trust

The Trust was created under the Will of the late Miss Hilda Martindale in 1952 to provide opportunities for girls and women to train in a specialist field.

### Other scholarship, prize and fellowship funds

These comprise a number of smaller funds donated to the University for a variety of purposes for the benefit of students, across a wide number of disciplines.

### Founder's Endowment Fund

In May 1992 the Charity Commissioners authorised the sale of certain pictures, the proceeds of which were to be administered and managed as a separate charity as the Founder's Endowment Fund (FEF).

The income of the Fund is applied by the University in the following order of priority:

- a - maintenance, security and upkeep of the pictures and picture gallery of the University;
- b - in the maintenance and improvement of the original buildings and grounds of the University;
- c - in any other way which will further the general charitable purposes of the University for which provision is not made out of Government fund or by other usual University funding sources.

	£000
Balance brought forward	43,410
Income	(1,194)
Expenditure	1,194
Depreciation of Investments	(3,363)
<b>Balance carried forward</b>	<b>40,047</b>

## 22 Restricted Reserves

	2023	2022
	Total	Total
	£000	£000
Reserves with restrictions are as follows:		
<b>Balances at 1 August</b>	-	33
New donations	340	392
Expenditure	(340)	(425)
<b>At 31 July</b>	-	-

## 23 Capital and other commitments

Provision has not been made for the following capital commitments.

	31 July 2023	31 July 2022
	£000	£000
Commitments contracted at 31 July	5,412	1,571
Authorised but not contracted at 31 July	-	-
	5,412	1,571

Capital commitments comprise work on the campus spine road, refurbishments for Engineer's Cottage, Highfield House and Chestnuts buildings.

## 24 Lease obligations

**Total rentals receivable under operating leases**

	31 July 2023	31 July 2022
	£000	£000
<b>Future minimum lease receipts due:</b>		
Not later than 1 year	543	499
Later than 1 year and not later than 5 years	-	-
<b>Total lease payments due</b>	543	499

## 25 Cash and cash equivalents

	At 1 August	Cash	At 31 July
	2022	Flows	2023
	£'000	£'000	£'000
Cash and cash equivalents	28,273	2,711	30,984
	28,273	2,711	30,984

# Notes to the financial statements

for the year ended 31 July 2023

## 26 Reconciliation of net debt

	<b>31 July 2023</b>
	<b>£'000</b>
<b>Net debt 1 August 2022</b>	<b>(111,727)</b>
Movement in cash and cash equivalents	2,711
<b>Net debt 31 July 2023</b>	<b>(109,016)</b>
<b>Change in net debt</b>	<b>2,711</b>

<b>Analysis of net debt:</b>	<b>31 July 2023</b>	<b>Cash Flows</b>	<b>31 July 2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	<b>30,984</b>	2,711	28,273
Unsecured loans	<b>(140,000)</b>		(140,000)
<b>Net debt</b>	<b>(109,016)</b>	2,711	(111,727)

## 27 Pension Schemes

The total pension cost for Royal Holloway and its subsidiary was:

	<b>31 July</b>	<b>31 July</b>
	<b>£000</b>	<b>£000</b>
Contributions to USS	<b>21,751</b>	20,014
Contributions to SAUL	<b>3,181</b>	2,519
Other pension contributions and costs	<b>11</b>	10
<b>Total Pension Cost (note 9)</b>	<b>24,943</b>	22,543

The University participates in the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

The University offers a pension salary sacrifice arrangement. Employees are able to opt for a reduced contractual salary, with the University then making the pension contribution, otherwise payable by the employee, as additional employer's contributions. The amount relating to salary sacrifice in 2022/23 was £7.5m (2021/22 £6.7m).

### USS

#### Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual

institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income.

## 27 Pension Schemes (continued)

### Critical accounting judgements

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

The total cost charged to the Statement of Comprehensive Income is (£13.6m) (2022: £41.8m).

Deficit recovery contributions due within one year for the institution are £4.4m (2022: £4.2m).

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (Forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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

### 2020 valuation

Mortality base table

**101% of S2PMA "light" for males and 95% of S3PFA for females**

### Future improvements to mortality

CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

# Notes to the financial statements

## for the year ended 31 July 2023

### 27 Pension Schemes (continued)

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	4.0%	7.0%

#### SAUL

The University participates in the Superannuation Arrangements of the University of London (“SAUL”), which is a centralised defined benefit scheme within the United Kingdom and was contracted out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings (“CARE”) basis. From 1 April 2023 new members of the scheme will join a Defined Contribution scheme for the first three years of membership.

The University is not expected to be liable to SAUL for any other current participating employer’s obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

#### Funding Policy

SAUL’s statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL’s benefits as they fall due (the “Technical Provisions”). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members’ accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2020. Informal reviews of SAUL’s position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2021 and will be reviewed again at SAUL’s next formal valuation in 2023.

At the 31 March 2020 valuation SAUL was 94% funded on its Technical Provisions basis. However, market movements

following the valuation date were positive and the Trustee and the Employers agreed to allow for post-valuation experience up to 30 April 2021. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. However, the Trustee and the Employers have agreed that the ongoing Employers’ contributions will increase from a rate of 16% of CARE Salaries to 19% of CARE Salaries from 1 April 2022 and to 21% of CARE Salaries from 1 January 2023.

#### Accounting Policy

The University is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL’s assets at 31 March 2020 was £3,612 million representing 94% of the liabilities.

The market value of SAUL’s assets at 30 April 2021 was £4,369 million representing 109% of the estimated liabilities.

It is not possible to identify an individual Employer’s share of the underlying assets and liabilities of SAUL. Royal Holloway accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

Although there was a Technical Provisions deficit at 31 March 2020, allowing for post valuation experience to 30 April 2021, SAUL had a Technical Provisions surplus. Therefore, no deficit contributions were required following the 2020 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the University.

#### Church of England Funded Pension Scheme (CEFPS)

Royal Holloway College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme’s assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The University has one staff member participating in this scheme.

## 28 Related Party Transactions

Royal Holloway paid grants of £1.4m (2021/22 £1.4m) to Royal Holloway Students' Union.

Apart from those disclosed in note 9 there were no other related party transactions to disclose.

## 29 Events after the reporting period

There are no events to disclose.

## 30 US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial

Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: 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.

## Supplementary schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations

Lines	Expendable Net Assets		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		179,437		180,002
30	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		81,574		86,138
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
8	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	361,013		373,738	
FS Note line 8A	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre- implementation		349,113		362,647
FS Note line 8B	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post- implementation with outstanding debt for original purchase	Property, plant and equipment - post- implementation with outstanding debt for original purchase		(47)		-

# Notes to the financial statements

for the year ended 31 July 2023

Lines	Expendable Net Assets		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
FS Note line 8D	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		5,512		3,973
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		6,435		7,118
9	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-		-	
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
M9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		-		-
10	Statement of Financial Position - Goodwill	Intangible assets		4,994		5,106
17	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		57,422		62,900
14,20,22	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	140,000		140,000	
M24,20,22, Note Debt A	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		140,000		140,000
M24,20,22, Note Debt B	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation		(47)		-
M24,20,22, Note Debt C	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-
21	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-		-	
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		-		-
25	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-



Lines	Expendable Net Assets		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
26	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
27	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
29	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		<b>81,574</b>		86,138

Lines	Total Expenses and Losses		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
43	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		<b>211,812</b>		226,599
(35),45,46, 47,48,49	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		<b>(883)</b>		(172)
(35),45	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		<b>(883)</b>		(172)
47	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-

Lines	Modified Net Assets		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		<b>179,437</b>		180,002
30	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		<b>81,574</b>		86,138
10	Statement of Financial Position - Goodwill	Intangible assets		<b>4,994</b>		5,106
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-

# Notes to the financial statements

for the year ended 31 July 2023

Lines	Modified Assets		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
12	Statement of Financial Position - Total Assets	Total Assets		<b>531,563</b>		534,681
Excluded Line 9 Note Leases	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
Excluded Line 21 Note Leases	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
10	Statement of Financial Position - Goodwill	Intangible assets		-		-
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-		-	
4	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-

Lines	Net Income Ratio		Year ended 31 July 2023		Year ended 31 July 2022	
			£000	£000	£000	£000
51	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		<b>4,943</b>		(25,760)
38, (35), 50	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		<b>211,757</b>		199,365



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