



Annual Report

For the year ended 31 July 2022



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 staff join a close community of inspiring people** with a truly global outlook. We're a pioneering university, steeped in history and culture, yet constantly evolving and adapting to the demands of modern higher education.

Above sector average for student satisfaction



(National Student Survey, 2022)

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, 2023)



Award-winning careers service, with **79% of students in graduate level employment within 15 months.**

(Guardian University Guide, 2022)

Ranked in the top 400 universities in the world according to the Times Higher Education World University Rankings 2022.

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

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

With our **beautiful campus**, and the feel of the Royal Holloway experience, ours is a community that inspires individuals to succeed academically, socially and personally.

(The 10 most beautiful universities in the UK, Times Higher Education Supplement)

88% of our research is world leading or internationally excellent

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



Financial Highlights

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Results, Cash Flows and Reserves		
Total income	201,103	189,851
Net cash flow from operating activities as % of income	22,272 11.1	33,772 17.8
Net liquidity (cash plus current asset investments) Net liquidity / (total expenditure - depreciation) days	88,273 149	76,675 176
External borrowing (including repayable within one year) as % of income	140,000 69.6	140,000 73.7
General reserve ¹ as % of income	49,571 24.6	80,443 42.4
Payments to acquire tangible and intangible fixed assets as % of income	10,021 5.0	4,318 2.3
Other Key Statistics		
	Number	Number
Number of full-time equivalent students	11,339	11,314
Average number of full-time equivalent staff	1,671	1,634

¹ The majority of the reduction in general reserve relates to an increase of £31,608 in the USS pension provision.

Introduction

Foreword by Dame Margaret Hodge, Chair of Council at Royal Holloway, University of London



This year's annual report provides me with the opportunity to welcome Royal Holloway's new Principal, Professor Julie Sanders, who assumed the role in October 2022. With her excellent personal academic track record and her wide experience in leading institutions both in the UK and overseas, I am confident she is the right person to take our university forward.

Professor Sanders is a worthy successor to Professor Paul Layzell CBE who retired from his role as Principal in the summer of 2022 following 12 very successful years in the role. During his tenure, Paul oversaw an expansion of the university, including the establishment of new departments in Law, Health Studies and Electronic Engineering and an improvement in facilities for students, including the development of the new Emily Wilding Davison Building. The Council wishes Professor Layzell a happy and fulfilling retirement.

Over the last academic year, the university has continued to implement its strategic plan with a particular focus on meeting the needs of our changing student population. The demographic shift we have seen over the past few years looks set to continue. For example, in the last

academic year, the university saw a continued increase in the number of students from black, Asian and minority ethnic groups who now represent more than 45% of our home undergraduate population. The university has been responding to the needs of an expanding London population and has seen more students commute to the campus. Students from London now represent 40% of the university's home undergraduate population. Our strategic plan projects which have been prioritised this year include a focus on reducing awarding gaps, working more closely with London boroughs, and their schools, and improving the experience for commuting students.

Furthermore, Council was pleased to see the Research Excellence Framework (REF) 2021 results re-affirm Royal Holloway's position as a world-leading research-intensive university, with the strategic plan continuing to focus on advancing the university's research programme.

This includes plans for a new Omnidrome research facility on campus which will allow academics, working alongside businesses and organisations, to develop and test specialist electric drones in a safe space.

Continuing the success of the last year, StoryFutures has been working with organisations and businesses to tackle the challenge of creating content for next generation technologies in Virtual (VR), Augmented (AR), Mixed Reality and Artificial Intelligence (AI). In the past year, they have been working with The National Gallery to create the Gallery's first VR experience and have developed the UK wide immersive storytelling experience, StoryTrails.

The Council is also proud of the university's academics who have been influencing the global environmental agenda, from their involvement in the UN Climate Change Conference of the Parties (COP 26) through to important international research collaborations on climate change.

Royal Holloway is in a strong position as we look forward to a new era, and with the leadership of Professor Sanders, the university will continue to go from strength to strength.

Foreword by Professor Julie Sanders, Principal



Photo: Christopher Owens, christopherjamesowens.com

As the new Principal at Royal Holloway, I am proud to have joined such a thriving university, one characterised by dedicated students and colleagues, all working together to achieve educational and research excellence. That this collective effort is underpinned by the lived values of inclusion, academic excellence and social justice is especially meaningful to me.

I am really looking forward to working together with our university community to take the next steps in building on these very firm foundations.

The academic year 2021/22 saw Royal Holloway welcome back the majority of students on campus following the government restrictions in place during the pandemic. We are pleased to be providing in-person teaching and learning support to help our students succeed in their studies, combined with the benefits of some innovative online access.

We also started working towards the ambitions set out in our strategic plan (2021–2024). The plan confirms our focus on dual excellence in education and research and aligns to the opportunities and requirements of our modern times, addressing local and global needs.

Our Research Excellence Framework (REF) 2021 results, which position our research within the top 25% of research overall, re-affirmed Royal Holloway's position as a world-leading research-intensive university. Developing our strengths in challenge-led research is a key priority for the future and our academics have continued in their quest to respond to complex issues faced by individuals and humanity as a whole.

A truly inspiring example of this can be seen in StoryFutures Academy, which recruited and trained 50 of the next generation of UK creative talent to develop its ground-breaking immersive storytelling experience, StoryTrails.

SuperFab, the UK Centre for Superconducting and Hybrid Quantum Systems, has enabled Europe's first quantum computers through its partnership with Oxford Quantum Circuits.

We also hosted our COP26 Forum, in support of the 2021 United Nations Climate Change Conference, with a range of events and activities focused on the climate emergency available for students, staff and the general public. The Forum successfully showcased the university's world-leading research in living sustainably and seeking to address the climate emergency.

Recognising our responsibility to our shared planet, we launched our Sustainability Strategy which provides a framework for us to not only manage our university operations responsibly, but to continue to maximise our expertise in research and education to encourage, equip and empower our students and colleagues to be genuine leaders in environmental sustainability and work related to the UN Sustainable Development Goals.

In an exciting area of growth for our university, we officially opened our Department for Health Studies to connect knowledge and research to global health-related challenges. Our exclusive CVstac programme builds the entire student experience at Royal Holloway around the 12 meta-skills needed to develop to thrive in the modern workforce.

Our commitment to meeting the needs of future generations is a key feature of our strategy. We continually develop our courses with our students to help equip them for the world of work.

We also continue to closely monitor our financial performance and deliver our strategy to increase income through growing student numbers. During the year, expenditure remained constrained due to continued restrictions caused by the pandemic which delivered a higher surplus than planned before the movement in the pension provision. Increases in costs due to inflation and an expected return to normal activity during the next year will increase expenditure, leading to a predicted balanced budget with investments approved in IT to deliver efficiencies to ensure our future financial sustainability.

As I look to the future, I cannot wait to spend time alongside our students and colleagues, as well as with alumni and partners, to co-create the next part of this wonderful university's story. While I recognise that many people are facing stark challenges in their everyday lives in the year ahead, I have every confidence that Royal Holloway will continue to be a community striving with compassion and commitment and through academic endeavour to make a positive difference in the world.

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 self-governing Colleges 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, 2021 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 pillars:

- Respond to the higher education needs and ambitions of an expanding London population;
- Build strong, sustainable international partnerships that expand the horizons of all our students;
- Develop strengths in challenge-led research and contribute to addressing key issues of our modern time;
- Enabling the success of our strategy through simplification and digitalisation; and
- Create value through and for our people.

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.

Royal Holloway at a glance

Our future



Our vision as an institution is to cultivate an inclusive environment that supports excellence in teaching, research and student experience.

Our last strategy (2010-2020) supported a mission of dual excellence in research and education. This was successfully delivered, evidenced by top quartile outcomes in the 2014 Research Excellence Framework and our place in the UK top 20 universities by 2020. Student number growth was achieved as planned (rising 17% over five years), improvements were made to our Estate, a strong Law programme was introduced and we saw significant improvements in marketing and recruitment practice.

Before the Covid-19 pandemic we were in the midst of developing a new 10-year strategy (2020-2030) and a Green Paper consultation exercise was underway, with contributions from over 100 members of the university community – students, staff, Council members, alumni and partners – ahead of the drafting and agreement of the new strategy by Council. The pandemic created major disruption and uncertainty across the Higher Education sector, and this consultation was paused following the national lockdown in March 2020.

As the university focused efforts on the immediate consequences of the pandemic and the unknown and potentially significant impacts on longer term prospects, Council requested that the university develop a three-year strategic plan 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.

The plan is ambitious and, if successfully implemented, will bring about significant change.

Ambition and focus of our new three-year strategic plan

The focus of the new plan is on our Education, Research and Financial Sustainability. The plan aims to create an inclusive environment, to allow the university to benefit from the increase in diverse students from London and provides the opportunity for the university to grow in new academic areas and to expand opportunities as a result of the digital revolution.

A priority is to develop strength in our relationships through new partnerships, both locally and globally. A strong desire to make Equality, Diversity and Inclusion more central to the university's long-term strategy, identified during the Green Paper consultation, is reflected in the new plan. Securing routes into the university for Overseas students is a focus and we aim to adapt our education and partnerships to enable this.

Our research intensity is a foundation for the university's success and this underpins the education and environment we offer to students and staff. Traditionally we have focused on investigator-led research and, whilst this remains key to our success, our ambition is to bring teams together in new configurations to enable challenge-led research and to strengthen the role the university can play in the development of our region.

Implementation of the strategy

We will monitor our progress and success in this positioning by keeping track of key performance indicators (KPIs). These focus on enabling us to understand where we are achieving success through our actions, so they are linked to a set of milestones. The milestones capture the key points in our strategic projects where the performance indicators will be impacted.

Risks

Risks are present in all activity and can lead to adverse consequences without mitigation or unexpected opportunities. In order to protect the sustainability and reputation of the university we employ effective risk management. In terms of our three-year strategic plan, this has included understanding and identifying what the risks are and mitigating where needed. Our risk appetite is to minimise any risks to our reputation, compliance and financial sustainability whilst accepting an increased level of risk in development of our education offering, research and knowledge exchange.

Addressing the challenges and opportunities of our modern times

Our strategic plan sets out what we will do over the next three years to position Royal Holloway towards long-term success in meeting the challenges of our modern times, by strengthening our dual excellence in teaching and research and ensuring financial sustainability.

The plan outlines three core pillars, an 'enabling' fourth pillar, focusing on enhancing the way we work, simplifying our processes and introducing technology, where possible, to help drive improvement, ensure financial sustainability and support our academic objectives, and a fifth, to create the necessary staff environment.

We will

1 Serve the higher education needs of an expanding London population

2 Expand the horizons of all our students by building strong and sustainable international partnerships

3 Address the key issues of our modern time by developing our strengths in challenge-led research

4 Enable the success of our strategy through simplification and digitisation

5 Create value through and for our people



Royal Holloway at a glance

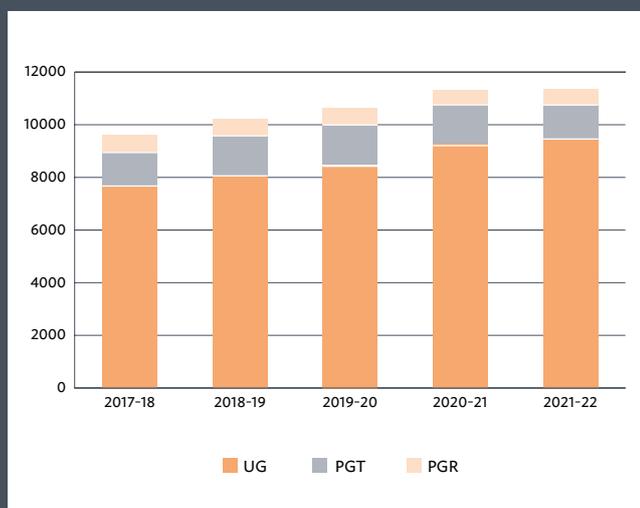


Student numbers

During 2021/22 the university increased student numbers once more to 11,339 (an increase of 0.2% year on year).

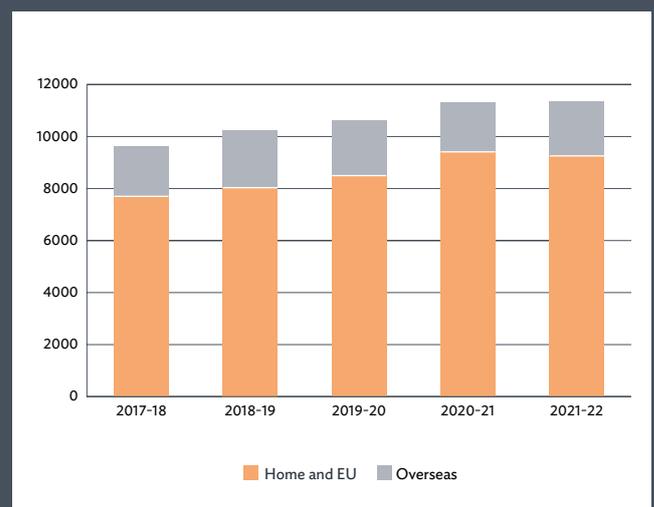
In 2021/22 student numbers were 11,339 full-time equivalents (FTEs) compared with 11,314 FTEs in 2020/21. Postgraduate (PG) student FTEs were 16.5% of the total, including research postgraduates at 5.4% (figure 1).

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



There was a decrease of 105 Home and EU (HEU) FTEs and an increase of 130 Overseas students (figure 2). Overall, the annual growth in total students FTE was 0.2%.

Figure 2: Student FTEs by domicile





Strategic Report

Scope of the financial statements

The financial statements comprise the consolidated results of the university (including funds for which the university is a trustee) and its dormant subsidiary company Royal Holloway Enterprise Limited, for the year ended 31 July 2022.

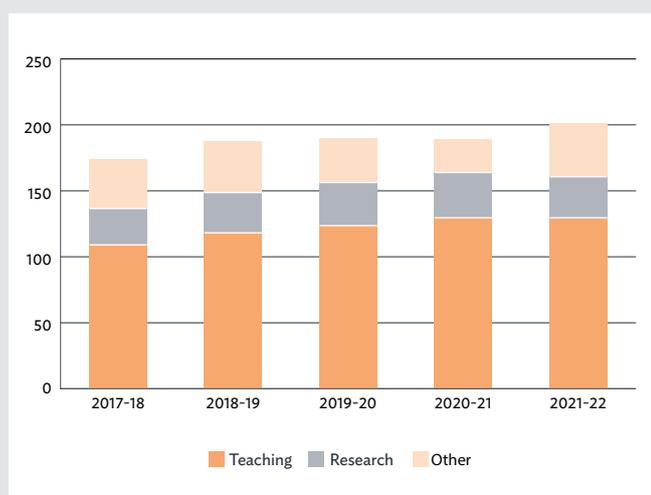
Operating results

The university's underlying financial performance in 2021/22 was sound. Before provisions and other gains and losses, the university achieved a surplus of £10.5m (2020/21: £8.4m surplus), with net cash inflow from operating activities of £22.3m (2020/21: £33.8m).

The operating results include an increase of £42.1m in the USS pension provision, based on the 2020 valuation, contributing to a deficit before other gains and losses of £31.3m.

Total income has exceeded £200m for the first time, at £201.1m (2020/21: £189.9m). The increase since the prior year was primarily in commercial income such as residences, catering and conferences, which returned to pre-pandemic levels. In 2021/22 teaching accounted for 64% of total income and research 16% 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.



Tuition fees

Income from tuition fees and education contracts remained broadly similar at £125.9m (2020/21: £126.2m).

Office for Students (OfS) and Research England (RE) grants

Income from the OfS and RE decreased slightly to £17.5m from £20.0m in the previous year.

Research income

Income from research grants and contracts reduced slightly to £17.8m (2020/21: £18.8m).

Other income

After a significant reduction in other income during 2020/21 due to the pandemic, other income streams such as residences, conferences and catering have recovered well, generating £34.0m this year (2020/21: £18.8m).

Investment income rallied after a weak year last year due to market turbulence caused by the pandemic, generating £1.7m (2020/21: £1.3m).

Expenditure

Excluding the shifts in the USS pension provisions in both years, total underlying expenditure increased by 5% in 2021/22 to £190.6m.

Excluding the pension provision adjustments, staff costs increased by £6.3m (6%). In addition to an increase in the average staff FTEs to 1,671 (2020/21: 1,634), increases in pension contribution rates and Employer's National Insurance have contributed to this cost rise.

Other operating expenses increased by £5.8m as university activities fully resumed after the periods of lockdown and reduced travel in 2020/21 caused by the pandemic. This included £3.4m expenditure on student maintenance and awards.

Depreciation and amortisation costs were £2.9m lower at £17.8m compared with £20.7m in 2020/21.

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 the Local Authority in January 2015.

Total capital investment in the year was £11.4m compared with £5.2m the previous year. The reduction in the previous year reflects the fact that a number of projects were cancelled or suspended due to the need to preserve cash levels during the pandemic.

Other Estates investment totalled £9.5m (2020/21: £2.5m), of which refurbishment expenditure was £2.5m (2020/21: £0.7m). In 2021/22 there was refurbishment work in Stewart House, Lower Herringham (Founder's building) and the Electron Microscopy Unit (EMU) building. New kitchens were fitted in Gowar, Butler, Tuke and Williamson halls. £3.3m was spent on Rusham Park site demolition, £1.2m on the campus spine road upgrade, £0.9m on compliance items (mostly emergency lighting) and the majority of the remaining £1.6m was spent on Estates small works (cyclical and plant/equipment replacements). There were no major refurbishments scheduled in 2020/21, as budgets were restricted due to the pandemic, hence the increase in expenditure this year.

£1.1m (2020/21: £1.5m) was spent on academic equipment. £0.7m was spent on IT projects within Intangible assets during the year (2020/21: £0.7m).

Investment property

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.

The university takes a long-term view about the strategic importance of Rusham Park. After awarding preferred bidder status to Balfour Beatty Investments in February 2021, the university is nearing the final stages of preparation for the development of a 1,400-bed student village at the site. The final design has been approved by Runnymede Borough Council. Demolition of the site is due to be completed in November and the funder competition is due to start 2023, with an indicative date for construction to commence of October 2023.

Cash flow, liquid assets and treasury management

The net cash flow generated from operating activities was £22.3m compared with £33.8m in 2020/21. There was an overall increase in cash, cash equivalents and short term investments during the year of £11.6m to £88.3m overall.

The university's treasury management policy has been kept under active review by the Council's Finance Committee, partly in the light of changing credit ratings. 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 and investment assets managed by professional fund managers. The market value of the university's endowment assets has remained stable at £86.1m including cash and cash equivalents of £1.5m (2020/21: £87.7m).

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 2022 was £54.3m (2020/21: £56.8m).

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 Inflation +4% per annum, gross of fees, over 5 years.

The decarbonisation of our endowment assets is driven by our aims:

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

Targets are set in each of these three areas and significant progress has been made during 2021-22.

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 2021 to 31 March 2022. 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 was 13 with an FTE of 12.6.

Strategic Report

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%	4
1-50%	9
51%-99%	0
100%	0

The total cost of facility time was £0.1m of a total pay bill of £106m.

The percentage of the total pay bill spent on facility time was 0.10%.

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 this year in the following ways:

- Development and use of risk appetite statements for risks to monitor those 'outside of appetite';
- Development of risk registers for each Academic School and the majority of the Professional Services Directorates; and
- Inclusion of risk management and review of risk register in the Academic Planning Round.

The highest residual risks to the university, after countermeasures, are considered to be as follows:

- **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. Mitigations include the implementation and monitoring of the IT Security Policy, a new password policy and the full implementation of

Multi-Factor Authentication, cyber security training for all staff, the identification and patching of vulnerabilities in the system, the replication and back up of university data on two sites and the availability of an external resource to assist in the event of attacks.

- **Financial sustainability:** Failure to be financially sustainable leading to reduced funding for the university, a requirement to reduce costs and a reduced ability to meet the required level of capital investment. Mitigations include tight financial control measures and clear budget targets set and monitored, financial forecasts that include monitoring of loan covenant compliance, a prioritised estate and capital plan and detailed cash flow forecasting and monitoring.
- **Space:** Failure to provide adequate space on campus to meet requirements, leading to a failure to meet strategic objectives. Mitigations include the flexible reorganisation of space post-pandemic, the implementation of the estate development plan and the prioritisation of future estates and IT investment.
- **Teaching innovation:** Failure to sustain or develop new teaching approaches and respond to changing demand leading to a loss of competitiveness. Mitigations include contingency options for teaching in other ways, the development of thorough, robust and useful training, and regular surveys of student opinion.
- **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. Mitigations include a restructure of Access and Participation governance, a contextual offer strategy, the reduction of achievement gaps through the Student Success Project, and the provision of increased work placements and experience opportunities.

The university is well placed to respond to these risks and is satisfied that it is managing them effectively.

Professor Julie Sanders
Principal
24 November 2022

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 & 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) 2023, the university has been ranked as 29th in the UK and in the Guardian University Guide 2022 the university was ranked 22nd.

Royal Holloway was founded on principles of social inclusion and equality. The university has a five year Access and Participation Plan (APP) that covers the period from 2020-21 to 2024-25. It sets out to improve equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. Ensuring equality of opportunity has been at the heart of Royal Holloway since it first began, being one of the very first institutions in the UK to give women access to higher education. We are proud to have a diverse population of students with 40% from Black, Asian and Minority Ethnic backgrounds; 84% from state schools; and 12% with a disability.

Our access and participation plan focuses on improving outcomes for specific groups of students, including students from underrepresented 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, from collaborative outreach work with schools and partners to peer mentoring schemes and paid placement programmes. 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 plan and ensuring that students from



Public Benefit Statement

underrepresented groups are supported to successfully participate on their courses and achieve good quality outcomes.

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 underrepresented 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 £3.4m in 2021/22. Other awards funded from the university's resources and endowment income, mainly to support postgraduates, were £3.8m in 2021/22.

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 underrepresented 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 Advisory and Wellbeing teams to provide assistance and guidance to students about their wellbeing and the transition to university life.

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



The Counselling team 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.

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

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

The Study Support Grant is provided through earmarked funds and grants, and endowment fund income is used to provide additional student support, including temporary loans.

Research

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:

Natural Compound Solutions

Professor Fraser's laboratory has an international reputation in the field of carotenoids and other phytochemicals. With industrial partners they have previously developed successful products from research outputs as well as achieved licensing agreements from their Intellectual property (IP).

Carotenoids are natural pigments used across multiple industrial sectors and production of these compounds has been the major feature of our research portfolio at Royal Holloway, University of London for over 50 years. Plant-based foods rich in health promoting phytochemicals, such as carotenoids, have been linked to reducing certain cancers, cardiovascular disease, age-related macular degeneration, and vitamin A deficiency. However, access to pure reference carotenoids in the marketplace is very limited opening a business opportunity.

Professor Paul Fraser and Dr Harriet Berry have set up, with funding support from the Biotechnology and Biological Sciences Research Council (BBSRC) and



Royal Holloway's Research and Innovation team, Natural Compound Solutions (NATCOM). This initiative builds on the academic expertise at Royal Holloway and has synergies with the university's sustainability strategy to meet the lack of availability of pure carotenoids. The product range has widespread potential applications in the food, feed, cosmetic, health and pharma sectors. One of the key features of NATCOM products is that they are isolated by sustainable methods by using excess fruit from the university's glasshouses and recycling the reagents used in the process.

NATCOM has been launched at a supply chain expo, ChemUK, a major UK industry event. NATCOM has already received orders and enquiries from a diverse range of industries and academia for the high-grade reference compounds. As more orders are received the aim is to increase the product range.

Accelerator Physics Research Cavity Beam Position Monitor

Research within the Physics department led by Professor Stewart Boogert and Dr Alexey Lyapin resulted in a novel high precision particle beam diagnostic device, called a Cavity Beam Position Monitor (CBPM). CBPMs can detect a transverse offset of a bunch of electrons as small as 1/10,000,000th of a metre to safely guide particle beams through narrow apertures of Free Electron Lasers (FEL). FELs are driven by electron accelerators to generate short, bright and coherent pulses of X-rays. This research is important for the study of fundamental properties of materials, imaging of proteins and crystals, and other nanoscale imaging applications. Their research has aided CBPM technology adoption by major international laboratories in projects such as LCLS (SLAC,

USA), European XFEL (DESY, Germany), SwissFEL (PSI, Switzerland), PAL-XFEL (PAL, South Korea).

The technology design was licensed to a small UK enterprise company FMB-Oxford. Based on Royal Holloway's design, FMB-Oxford launched the first commercial off-the-shelf CBPM. Cavity sensors are complex devices designed with ultra-high vacuum and microwave requirements in mind. Typically, expensive manufacturing techniques such as diamond cutting and vacuum brazing are called upon when fabricating these devices. Royal Holloway's know-how allowed FMB to apply alternative methods and design a CBPM system that was easy to manufacture and use in an accelerator. This represented FMB's entry into the electron beam diagnostic market. FMB won their first contract to supply a CBPM system to the LUIS facility based at ELI-BL laboratory in the Czech Republic. This sale has resulted in licenced income to the university. Royal Holloway's research collaboration with FMB-Oxford has changed the way the company positions itself in this specialist market. Working with Royal Holloway enabled the company to become world leaders in the new area of electron beam diagnostics and expand its presence in FEL instrumentation.

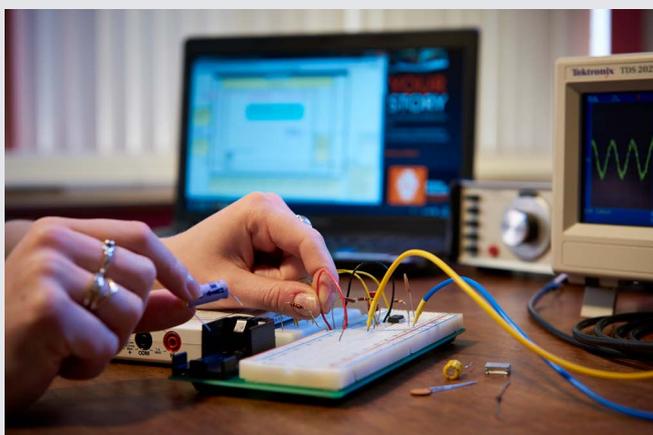
StoryTrails: the people's metaverse

Royal Holloway is an industry leading innovator in immersive storytelling, building on our research strengths in creative storytelling, media arts, engineering, performance and psychology. Our immersive economy programmes are delivered through the StoryFutures Creative Industries Cluster (storyfutures.com/creative-cluster - led by Royal Holloway) and StoryFutures Academy (storyfutures.com/academy - co-led by Royal Holloway and the National Film and Television School).

During 2022, with industry partners Niantic, BFI, BBC, Nexus Studios, Iso Design, Upland Television and The Reading Agency we delivered StoryTrails (story-trails.com) a commission directly funded by DCMS through Unboxed 2022 (unboxed2022.uk), a programme of innovation and creativity. StoryTrails used location-based immersive storytelling to bring together past, present and future in shared public spaces, stimulating a conversation about who we are, and where we are going. It was delivered to thousands of people across the UK via a network of public libraries and a cohort of 50 emerging creative producers mentored and trained by StoryFutures and supported by industry partners including StoryTrails Executive Producer David Olusoga.

Public Benefit Statement

StoryTrails enabled communities to see their hometowns differently through the medium of stories told in augmented and virtual reality. StoryTrails was loved by audiences with 89% of people rating their VR experience 4* or higher, and 85% rating AR experience 4* or higher and 91.4% giving a series of 3D maps of each town or city 4* or more. StoryTrails was supported by input from Royal Holloway academics across the arts, humanities and social sciences and it was the only Unboxed Commission to have been led by an academic institution.



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 played a significant role for university services during 2021-22 with the return of in person teaching and events. The pandemic has been a time of great challenge for our community partners, statutory and voluntary organisations as they have sought to respond to the unprecedented times. During this time however there has been positive opportunity for engagement.

In September 2021 our Volunteering Hub in a central campus location started to welcome students, staff and community as a drop-in service for any volunteering enquiries during term time with student staff employed to respond to such queries. A good number of organisations booked community stands and information sessions on campus in the Autumn term, with continued use of our

online volunteering platform to promote opportunities too. This was complemented with an online Partner Forum, an in-person networking event in collaboration with our local volunteer centre on campus, and preparation for our biennial Community Partners' Conference returning to face-to-face for September 2022.

Our award-winning Volunteering service now has over 150 approved community partner organisations with more than 1,500 registered volunteers, of which just under 500 students recorded more than 5,000 hours of volunteering undertaken over the past academic year.

Royal Holloway Volunteering student leadership programme has run in a hybrid format to enable more students to engage with orientation training at the start of term one, with in-person planning taking place in our new Volunteering Hub on campus. Our Social Action projects have attempted to return to more in-person activities yet making most of remote and virtual methods of delivery and engagement when appropriate. Foodbank donations and fundraising, outdoor activities through our Community Garden supporting wellbeing of volunteers, and various Love Your Community initiatives have taken place to engage with the local community such as Paint A Poppy campaign with local schools. An NHS care parcels scheme created over 140 packages of thanks for local frontline workers.

Our 49 student leaders showcased their community projects in January at a hybrid event attended by the Mayor of Runnymede and they have raised the profile of volunteering by supporting national initiatives such as #iwill week, Student Volunteering Week and Volunteers' Week. In May our student-led Love Your Community project was highly commended in the Community Award category of the National Society and Volunteering Awards 2022 for its ongoing support of the local community during the pandemic.

Furthermore, £4.4k of funds were successfully applied for by our students in support of our student-led community projects through the university's Student Opportunities Fund in 2021-22. This includes supporting our Holloway Notes choir to collaborate with Whole Notes choirs in the community to host a spring concert in our Picture Gallery with local people with learning disabilities and social anxiety. Love Your Campus project has completed a conservation project and our Tea Parties team partnered with Egham Museum and a local care organisation to host a Platinum Jubilee High Tea Dance for older people in the community. In addition, students led our Ukraine Play

Box Appeal in association with Play Action International gathering toys and gifts to pack 49 boxes for Ukrainian refugee children arriving in the UK.

As a university community as part of our Foodbank initiative we have donated over 36 full crates of food donations, 100 easter eggs and further donations through funds raised to give to local families and individuals in food crisis through the Runnymede Foodbank.

Our staff have continued to engage with local community multiagency task groups supporting various requests and opportunities as they arise. Furthermore 15 students were supported in sourcing remote short-term placements with voluntary organisations as part of our Voluntary Work in the Community module.

The Community Research Hub funded by Higher Education Innovation Funding (HEIF) enables students to support charities and community groups with their research requests during 2021-2022. This has included Harry's HAT who published a book that shared stories from families based upon survey research completed by Royal Holloway student volunteers. This contributed to a Parliamentary Reception being held by the charity to raise profile and influence new policy.

During Volunteers' Week in June the Royal Holloway Volunteering Awards were hosted to celebrate and recognise outstanding students, staff, alumni, projects, and partners. The guest speaker was from Refugee Education UK, and the Mayor of Runnymede's Cup was presented for the 14th year to our student volunteer of the year. The award recipient has led our Love Your Community initiative for the past two years running along with many community campaigns including a soup kitchen in Egham during Student Volunteering Week. Furthermore, our new Bob O'Keefe Award was presented to a student who led the Poppy Appeal on campus and organised a donation response to the war in Ukraine when this first began in February.

In 2021/22 the Royal Holloway Moves app, which allows our students and staff to earn points for their physical activity and then spend these, has partnered with the Volunteering team to give students and staff the option to donate their points to fund student led projects which benefit the community. Throughout the academic year our users donated over £1,000 which helped to:

- Fund Christmas gift bags for local elderly in association with Age UK Surrey as part of the Santa's Workshop project;

- Donate essential food items to the Runnymede Foodbank;
- Assemble boxes to be donated to Ukrainian refugee children through Play Action International.

Enriching the student experience and employment

Responding to the effects and aftermath of the pandemic, the Careers Service developed a programme of support for students and graduates that has been delivered both in-person and remotely.

In 2021/22:

- 1,600 one to one appointments were run for students by our Careers Consultants;
- 2,108 students and graduates attended Central Careers events; and
- 126 employers and 32 alumni participated in our Central Careers programme.

We have also been very active in the provision of work experience for our students.

40 students were successfully placed with employers for the Professional Skills and insights program (many of these employers were able to facilitate remote work experience for the students). All students on the programme had widening participation backgrounds. Our Santander-funded internships scheme continues to grow, with 25 opportunities secured this year across our recent graduate programme and scheme to support students with mental health conditions.

The graduate destinations of our students have improved; according to the Times University Guide 2023 our graduate prospects score has improved to 73.8% from 72.5% across all subjects. The graduate prospects score is the proportion of students who are in graduate level work or further study.

To ensure the continued success of our students, the employability elements of the university's three-year strategic plan have been developed. We have introduced CVstac, an online mechanism to provide support for students to recognise, and then evidence in job applications, the employability skills they develop in their time at Royal Holloway.

Public Benefit Statement

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 2021 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.¹

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

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.

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.

As part of our responsibility to the environment, the university uses a wide range of metrics relating to carbon and energy use which inform the university's carbon reduction strategy. At our Egham campus we continually invest to maintain and enhance the natural beauty and biodiversity of 135 acres of parkland of which over 65% is green space including ancient woodland.



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.

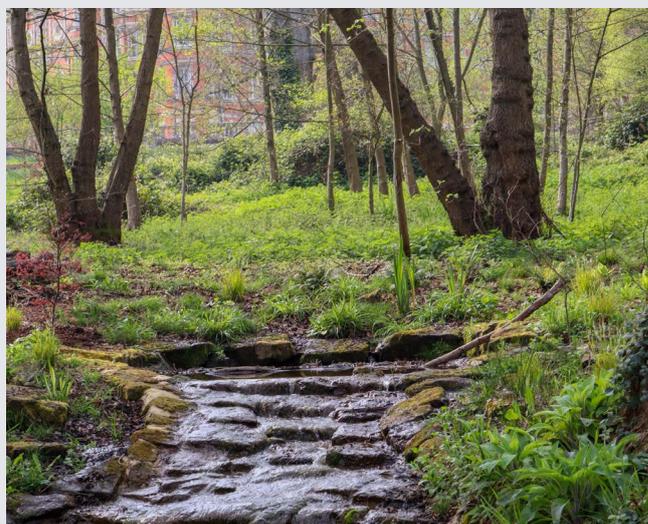
The university recognises that it has a responsibility to take a robust approach in its supply chains and is committed to a zero tolerance policy in relation to modern slavery and human trafficking.

The university's Modern Slavery policy statement, which is updated annually, can be found here: royalholloway.ac.uk/modern-slavery/

Investing responsibly

The university is fully committed to maintaining high environmental, social and governance (ESG) standards across its investment portfolios. We believe that good stewardship and engagement can benefit companies and markets as a whole.

The university's endowment fund 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 future emissions;
- Reduction of exposure to carbon-intensive companies; and
- Making sustainably-themed investments.

Targets are set in each of these three 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.

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. All Members of Council have equal status and exercise their responsibilities in the interests 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.
 - d. 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.
 - e. 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.
 - f. 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. Where particular items of business preclude this all members must respect the confidentiality of Council business.
 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 Hilda Martindale Trust

15. 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 2021 and up to the date of the signing of the Financial Statements, Council had the following membership:

Independent members

Dame Margaret Hodge (Chair of Council)
Sally Dicketts (from 1 August 2022)
Ann Ewing (Vice Chair of Council)
Christine Goodyear (to 31 July 2022)
Professor Michael Farthing
Sarah King
Gerry O'Hagan
Nick Perryman (Vice Chair of Council)
HHJ Khatun Sapnara (from 1 August 2022)
Chris Shoukry (to 31 July 2022)
Balam Veliath
David Walker (from 7 October 2021)
David Williams
Ian Wilson

Elected staff members

Professor Sarah Ansari (to 30 September 2021)
Simon Davis (from 1 October 2021)
Professor Bob Fitzgerald
John Gregory (to 31 July 2022)
Denise Keable (to 30 September 2021)
Dr Donna Brown (from 1 October 2021)
Sarah Honeycombe (from 1 August 2022)

Elected student members

Maia Jarvis, Student Representative and Students' Union
Vice President Education (Academic year 2021/22)
Shrijeet Shrey, Student Representative and Students'
Union Vice President Education (Academic year 2022/23)

Co-opted to Council

David Walker (to 7 October 2021)
Peter Saraga (to 7 July 2022)

Ex officio members

Professor Paul Layzell, Principal (to 31 July 2022)
Professor Ken Badcock, Acting Principal
(from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)
Henriette Warwick, President Students' Union
(Academic year 2021/22)
Maia Jarvis, President Students' Union
(Academic year 2022/23)

Secretary to Council

Dr David Ashton (to 25 August 2022)
Mary White, Acting Secretary to Council
(from 26 August 2022)

Membership of Council Committees Audit, Risk and Compliance Committee

Chair Balam Veliath

Vice Chair David Walker

Ex officio members

Nick Perryman (to 31 July 2022)

Other members

Bob Fitzgerald (to 31 July 2022)
Christine Goodyear (to 31 July 2022)
John Gregory (to 31 July 2022)

Co-opted members

Sheila Pancholi (from 1 August 2021)

Finance Committee

Chair Ian Wilson

Vice Chair David Williams

Ex officio members

Dame Margaret Hodge
Ann Ewing (to 31 July 2022)
Nick Perryman (from 1 August 2022)
Professor Paul Layzell, Principal (to 31 July 2022)
Professor Ken Badcock, Acting Principal
(from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)
Dr David Ashton, Deputy Principal (Operations)
(to 30 September 2022).
Mary White, Chief Financial Officer.

Other members

Nick Perryman (to 31 July 2022)
Ann Ewing (from 1 August 2022)

Co-opted members

Mr Kevin Meehan

People Committee

Chair Christine Goodyear (to 31 July 2022)

Professor Michael Farthing (from 1 August 2022)

Vice Chair Sarah King

Ex officio members

Dame Margaret Hodge
Professor Paul Layzell, Principal (to 31 July 2022)
Professor Ken Badcock, Acting Principal
(from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)

Other members

Ann Ewing
Professor Michael Farthing (to 31 July 2022)
HHJ Khatun Sapnara (from 1 August 2022)
Chris Shoukry (to 31 July 2022)
David Williams

Principal's Pay Committee (Principal and Secretary to Council's Pay Committee from June 2022 onwards)

Chair Ann Ewing

Members

Dame Margaret Hodge (Chair of Council)
Nick Perryman (Vice Chair of Council)
Ian Wilson (Chair of Finance Committee)

Remuneration Committee

Chair Ann Ewing

Members

Dame Margaret Hodge (Chair of Council)
Professor Paul Layzell, Principal (to 31 July 2022)
Professor Ken Badcock, Acting Principal (from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)
Dr David Ashton, Deputy Principal (Operations) (to 30 September 2022)
Mary White, Chief Financial Officer (from 1 October 2022)
Nick Perryman (Vice Chair of Council)
Ian Wilson (Chair of Finance Committee)

Strategy and Governance Committee

Chair Dame Margaret Hodge

Ex officio members

Christine Goodyear (to 31 July 2022)
Ann Ewing
Professor Michael Farthing (from 1 August 2022)
Gerry O'Hagan
Professor Paul Layzell, Principal (to 31 July 2022)
Professor Ken Badcock, Acting Principal (from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)
Balram Veliath
Ian Wilson
Nick Perryman

Co-opted member

Professor Michael Farthing (from 8 October 2021 to 28 February 2022)
Sarah King (from 1 August 2022)

Students, Education and Research Committee

Chair Gerry O'Hagan

Vice Chair Peter Saraga (to 7 July 2022)

Ex officio members

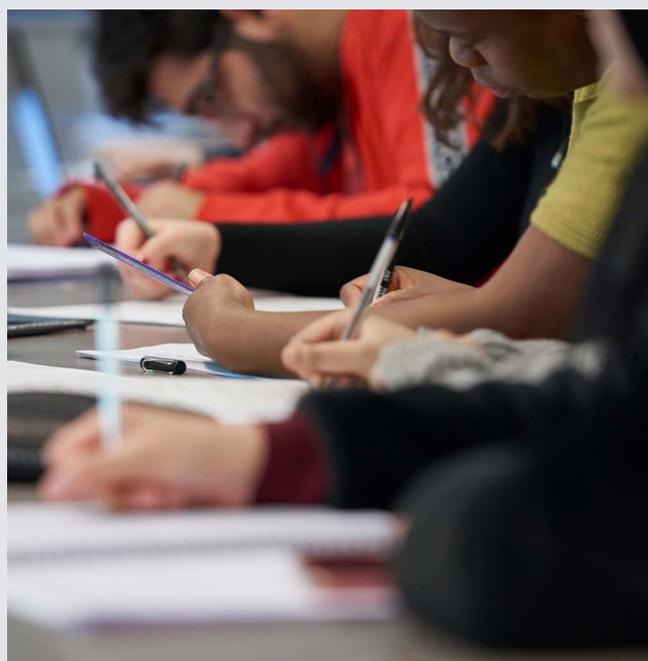
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Professor Ken Badcock, Acting Principal (from 1 August to 30 September 2022)
Professor Julie Sanders, Principal (from 1 October 2022)
Henriette Warwick, President Students' Union (Academic year 2021/22)
Maia Jarvis, President Students' Union (Academic year 2022/23)

Other members

Professor Sarah Ansari (to 30 September 2021)
Sarah Honeycombe (from 1 August 2022)
Professor Bob Fitzgerald (from 23 February 2022)
John Gregory (from 23 February 2022 to 31 July 2022)
Sarah King
Nick Perryman
David Walker

Co-opted member

Peter Saraga (from 8 July 2022)
Denise Brown (from 1 September 2022)



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 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 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 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.
- xviii. To promote a culture which supports inclusivity and diversity across the university.

Corporate Governance

- 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 (excluding movements in the pension provision) of £10.5m with cash and short term investments of £88.3m.

The budget for 2022/23 delivers a small surplus of £0.1m after the movement in pension provision (deficit of £4.0m before pension provision).

Cash levels at the start of 2022/23 are healthy and the budget ensures that cash is not forecast to fall below the OfS 30-day limit at any point during the next year. The budget for 2022/23 delivers a clearance of over £10m 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 risk to university income is 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. The 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 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. The 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 2022 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 2021/22 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 responsibility on behalf of Council for the recruitment and appointment of the Principal, the Secretary to Council and Council members.

Corporate Governance

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: Principal's Pay Committee (Principal and Secretary to Council's Pay Committee from June 2022 onwards) which determines pay arrangements for the 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, which operates to standards defined in the Office for Students Directives. The Internal Auditor submits regular reports to the Audit, Risk and Compliance Committee including an annual report to the Audit, Risk and Compliance Committee which is included in the Committee's report to the 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 2021/22 was that, taking into account proposed actions to rectify any control weaknesses identified, they provide reasonable assurance that the university has an adequate and effective system of risk management, governance and internal control for the year ending 31 July 2022, except for the management of student data by the Student Union.

Out of seven internal audit assignments undertaken during the year, five included an assurance opinion; good assurance was provided for one, substantial for two and limited for two. One assignment, Business Continuity was assigned an amber readiness as it was an assessment of the plans to address recommendations raised by an independent consultant. One assignment, Risk Management, was undertaken as a follow-up and did not provide an assurance rating.

Council is committed to improving the control environment and addressing control weaknesses identified. An action plan is in progress which aims to address the concerns raised and prioritise the 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
24 November 2022

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 Group's and of the university's affairs as at 31 July 2022 and of the Group's and the university's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Royal Holloway and Bedford New College ("the university") and its subsidiaries ("the Group") for the year ended 31 July 2022 which comprise the consolidated and university statement of comprehensive income, the consolidated and university statement of changes in reserves, the consolidated and university statement of financial position, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Group and the university's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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.

Independent Auditor's Report to the Council of Royal Holloway and Bedford New College

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

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

- The university's grant and fee income, as disclosed in note 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 members

As explained more fully in the Financial Statements and Accounting Records section of the Corporate Governance section set out on page 30, 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 Group and the university's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the Group or the university or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students ("OfS") and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the OfS Accounts Direction and tax legislation.

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

The audit procedures to address the risks identified included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the 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;
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted by individuals outside of their expected job roles, and others deemed unusual based on our expectations;

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the accountable officer; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility.

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: [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the university have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and UK Research and Innovation (including Research England).

Use of our report

This report is made solely to the Council members, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the university's 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).

Consolidated and University Statement of Comprehensive Income

Year ended 31 July 2022

	Notes	Year Ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
Income					
Tuition fees and education contracts	3	125,865	125,865	126,218	126,218
Funding body grants	4	21,135	21,135	24,246	24,246
Research grants and contracts	5	17,785	17,785	18,774	18,774
Other income	6	33,999	33,999	18,749	18,749
Investment income	7	1,724	1,724	1,300	1,300
Donations and endowments	8	595	595	564	564
Total income		201,103	201,103	189,851	189,851
Expenditure					
Staff costs	9	108,887	108,887	102,595	102,595
Staff costs - pension provision	9	41,842	41,842	(2,174)	(2,174)
Other operating expenses	11	59,342	59,342	53,514	53,514
Amortisation of intangible fixed assets	13	869	869	907	907
Depreciation	15	16,916	16,916	19,835	19,835
Interest and other finance costs	10	4,591	4,591	4,554	4,554
Total expenditure		232,447	232,447	179,231	179,231
(Deficit)/surplus before other gains and losses		(31,344)	(31,344)	10,620	10,620
Loss on disposal of fixed assets		(14)	(14)	(737)	(737)
(Loss)/gain on investments and College collections	21	(1,550)	(1,550)	8,912	8,912
Change in market value of investment property	15	-	-	(3,000)	(3,000)
(Deficit)/surplus before tax		(32,908)	(32,908)	15,795	15,795
Taxation	12	142	142	(22)	(22)
(Deficit)/surplus for the year		(32,766)	(32,766)	15,773	15,773
Other comprehensive income for the year		-	-	-	-
Total comprehensive (expenditure)/income for the year		(32,766)	(32,766)	15,773	15,773
Represented by:					
Endowment comprehensive (expenditure)/income for the year		(1,550)	(1,550)	8,912	8,912
Restricted comprehensive income for the year		392	392	328	328
Unrestricted comprehensive (expenditure)/income for the year		(31,608)	(31,608)	6,533	6,533
		(32,766)	(32,766)	15,773	15,773

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

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

Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2022

Consolidated

	Income and expenditure account			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2020	78,778	159	73,145	125,205	277,287
Surplus from the income and expenditure statement	8,912	328	6,533	-	15,773
Release of restricted funds spent in year	-	(454)	454	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
	8,912	(126)	7,298	(311)	15,773
Balance at 1 August 2021	87,690	33	80,443	124,894	293,060
(Deficit)/surplus from the income and expenditure statement	(1,550)	392	(31,608)	-	(32,766)
Release of restricted funds spent in year	-	(425)	425	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
Total comprehensive expenditure for the year	(1,550)	(33)	(30,872)	(311)	(32,766)
Balance at 31 July 2022	86,140	-	49,571	124,583	260,294

University

	Income and expenditure account			Revaluation reserve	Total
	Endowment £000	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2020	78,778	159	73,145	125,205	277,287
Surplus from the income and expenditure statement	8,912	328	6,533	-	15,773
Release of restricted funds spent in year	-	(454)	454	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
	8,912	(126)	7,298	(311)	15,773
Balance at 1 August 2021	87,690	33	80,443	124,894	293,060
(Deficit)/surplus from the income and expenditure statement	(1,550)	392	(31,608)	-	(32,766)
Release of restricted funds spent in year	-	(425)	425	-	-
Release of revaluation reserves in year	-	-	311	(311)	-
Total comprehensive expenditure for the year	(1,550)	(33)	(30,872)	(311)	(32,766)
Balance at 31 July 2022	86,140	-	49,571	124,583	260,294

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

Consolidated and University Statement of Financial Position

as at 31 July 2022

	Notes	Year Ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-current assets					
Intangible assets	13	5,105	5,105	5,288	5,288
Investments	14	54,304	54,304	56,784	56,784
Fixed assets	15	373,737	373,737	379,600	379,600
		433,146	433,146	441,672	441,672
Current assets					
Stock		242	242	204	204
Debtors	16	15,149	15,149	13,789	13,789
Investments	17	60,000	60,000	31,800	31,800
Cash and cash equivalents		28,273	28,273	44,875	44,875
		103,664	103,664	90,668	90,668
Less: Creditors: amounts falling due within one year	18	(49,863)	(49,863)	(53,963)	(53,963)
Net current assets		53,801	53,801	36,705	36,705
Creditors: amounts falling due after more than one year	19	(157,906)	(157,906)	(158,338)	(158,338)
Provisions					
Provisions for liabilities	20	(68,747)	(68,747)	(26,979)	(26,979)
Total net assets		260,294	260,294	293,060	293,060
Restricted Reserves					
Income and expenditure reserve - endowment reserve	21	86,140	86,140	87,690	87,690
Income and expenditure reserve - restricted reserve	22	-	-	33	33
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		49,571	49,571	80,443	80,443
Revaluation reserve		124,583	124,583	124,894	124,894
Total Reserves		260,294	260,294	293,060	293,060

The financial statements were approved and authorised for issue by the Governing Body on 24 November 2022 and were signed on its behalf on that date by:

Dame Margaret Hodge, Chair of Council

Professor Julie Sanders, Principal

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

Consolidated Cash Flow Statement

Year ended 31 July 2022

	Notes	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Cash flow from operating activities			
(Deficit)/surplus for the year before tax		(32,908)	15,795
Adjustment for non-cash items			
Amortisation of intangible assets	13	869	907
Depreciation	15	16,916	19,835
Revaluation of fixed assets	15	-	3,000
Revaluation of endowments assets	21	1,550	(8,912)
(Increase)/decrease in stock		(38)	16
(Increase)/decrease in debtors	16	(1,360)	193
(Decrease)/increase in creditors	18	(4,564)	8,537
Increase/(decrease) in provisions	20	41,768	(3,794)
Adjustment for investing or financing activities			
Investment income	7	(1,724)	(1,300)
Interest payable	10	4,359	4,345
Loss on disposal of tangible fixed assets	15	14	750
Capital grant amortisation		(2,752)	(5,578)
Cash flows from operating activities		22,130	33,794
Taxation		142	(22)
Net cash inflow from operating activities		22,272	33,772
Cash flows from investing activities			
Capital grants receipts		1,386	1,855
Investment income	7	1,724	1,300
Payments made to acquire intangible assets	13	(686)	(740)
Payments made to acquire tangible fixed assets	15	(9,335)	(3,578)
Proceeds of investments	14	9,464	16,578
Purchase of investments	14	(8,868)	(17,431)
(Increase) in current asset investments during the year	17	(28,200)	(13,300)
		(34,515)	(15,316)
Cash flows from financing activities			
Interest paid	10	(4,359)	(4,345)
		(4,359)	(4,345)
		(16,602)	14,111
Cash and cash equivalents at beginning of the year		44,875	30,764
Cash and cash equivalents at end of the year		28,273	44,875
(Decrease)/increase in cash and cash equivalents in the year		(16,602)	14,111

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

Notes to the Financial Statements

for the year ended 31 July 2022

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.

Going concern

The university achieved an operating surplus (excluding movements in the pension provision) of £10.5m with cash and short term investments of £88.3m.

The budget for 2022/23 delivers a small surplus of £0.1m after the movement in pension provision (deficit of £4.0m before pension provision).

Cash levels at the start of 2022/23 are healthy and the budget ensures that cash is not forecast to fall below the OfS 30-day limit at any point during the next year. The budget for 2022/23 and forecast for 2023/24 deliver a clearance of over £10m 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 risk to university income is 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.

ii Parent disclosure exemptions

In preparing the separate financial statements of the university, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the university; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the university as their remuneration is included in the totals for the group as a whole.

iii Basis of consolidation

The consolidated financial statements include the university and its dormant subsidiary undertaking Royal Holloway Enterprise Limited for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

iv Income recognition

Income from the sale of services is credited to the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Statement of Comprehensive Income in line with such conditions being met.

Donations and endowments are recognised within the Consolidated 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. 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 Consolidated 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.

Notes to the Financial Statements

for the year ended 31 July 2022

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 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 Consolidated 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 Investment property

Investment property is carried at fair value determined annually and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income. Where investment properties no longer meet the definition under FRS 102 these are transferred to land and buildings.

xiv Financial assets

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

xv 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, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

xvi 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 there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance.
- 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.
- 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 £9.5million higher than that stated in these financial statements.

Other key sources of estimation uncertainty

- Rental and other 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 2022		Year ended 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
3 Tuition fees and education contracts					
Full-time home and EU students		81,744	81,744	83,530	83,530
Full-time international students		36,286	36,286	32,352	32,352
Part-time students		660	660	1,349	1,349
Research Training Support Grant		3,963	3,963	6,122	6,122
Short course and Other fees		3,212	3,212	2,865	2,865
		125,865	125,865	126,218	126,218
4 Funding body grants					
Recurrent grant					
Office for Students - Teaching		2,952	2,952	4,276	4,276
Research England - Research		14,542	14,542	15,695	15,695
Specific grants		1,216	1,216	1,953	1,953
Deferred capital grants released in year:					
Capital grant - Buildings		1,346	1,346	1,379	1,379
Capital grant - Equipment		1,079	1,079	943	943
		21,135	21,135	24,246	24,246
Income from funding body grants includes £2.8m in respect of capital grants released in the year (2020/21: £5.6m)					
5 Research grants and contracts					
Research councils		11,773	11,773	12,963	12,963
Research charities		1,309	1,309	1,186	1,186
Government (UK and overseas)		2,770	2,770	2,493	2,493
Industry and commerce		1,266	1,266	1,029	1,029
Other		667	667	1,103	1,103
		17,785	17,785	18,774	18,774
6 Other income					
Residences, catering and conferences		24,280	24,280	12,794	12,794
Other services rendered		5,142	5,142	1,785	1,785
Other income		4,577	4,577	4,170	4,170
		33,999	33,999	18,749	18,749
Other income includes £23k (2020/21: £0.5m) income from the government's Coronavirus Job Retention Scheme (furlough) and £232k funding from the Turing Scheme (2020/21: Nil) to provide international educational opportunities for students.					
Grant and Fee income					
Grant income from the OfS		5,377	5,377	6,598	6,598
Grant income from other bodies		15,758	15,758	18,201	18,201
Fee income for research awards (exclusive of VAT)		17,785	17,785	18,774	18,774
Fee income from non-qualifying courses (exclusive of VAT)		7,175	7,175	8,987	8,987
Fee income for taught awards (exclusive of VAT)		118,690	118,690	117,231	117,231
		164,785	164,785	169,791	169,791
7 Investment income					
Investment income on endowments	21	1,376	1,376	1,246	1,246
Other investment income		348	348	54	54
		1,724	1,724	1,300	1,300

Notes to the Financial Statements

for the year ended 31 July 2022

	Notes	Year Ended 31 July 2022		Year ended 31 July 2021	
		Consolidated £000	University £000	Consolidated £000	University £000
8 Donations and endowments					
Donations with restrictions	22	392	392	328	328
Unrestricted donations		203	203	236	236
		595	595	564	564

	Year Ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
9 Staff costs				
Staff Costs:				
Salaries	77,746	77,746	73,155	73,155
Social security costs	8,598	8,598	8,060	8,060
Movement on Pension Provisions	41,842	41,842	(2,174)	(2,174)
Other pension costs	22,543	22,543	21,380	21,380
Total	150,729	150,729	100,421	100,421

	Year ended 31 July 2022 £000	Year ended 31 July 2021 £000
Emoluments of the Principal Professor Paul Layzell:		
Salary	301	288
Taxable benefits - accommodation running costs	4	3
Taxable benefits - accommodation costs	16	17
	321	308
Pension contributions to USS	17	6
	338	314

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

For the final year of 2021/22 the university provided the Principal with accommodation which otherwise would yield an annual rental income in the local rental market. The value of this benefit, which has been provided in the form of accommodation and accommodation running costs, is £20k (2020/21 £20k) and has been calculated based on the market rent valuation. During the year the university has assessed its opinion that the Principal's proximity to the university is essential in operational and strategic matters and will no longer offer accommodation to the Principal from 2022/23.

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 university Act 1985. The university has an annual income of £201m and educates 11,339 FTE students and employs an average of 1,671 FTE staff. It is recognised consistently as being one of the top UK universities in major league tables, currently being ranked in the top 25, and excellent research informs its teaching.

The College Principal's Pay Committee determined on appointment and annually, the remuneration and benefits of the Principal of the College. The terms of reference of the Principal's Pay Committee state that this will be done 'having regard to College policies, national and international trends and nationally negotiated terms, as well as the financial and operational circumstances of the College.'

The Principal's Pay 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 Principal has no involvement in this committee.

9 Staff costs (continued)

In determining a salary which is fair, appropriate and justifiable in line with the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code, the Committee takes into account data provided by the Senior Staff Remuneration Survey conducted by the Universities and Colleges Employers Association (UCEA) and the CUC Survey of Vice Chancellors' Remuneration.

The Committee considers the annual pay award made to all staff following negotiation through the Joint Negotiating Committee for Higher Education Staff (JNCHES). The Committee also takes account of the College's financial position and therefore its ability to pay. In addition, the Committee has considered the pay multiple as detailed in the CUC Code and in relation to the median earnings of the whole Institution.

The Committee considers the Principal's performance in accordance with university policy. Objectives are set and reviewed annually as part of the annual appraisal of the Principal's performance by the Chair of Council. These cover a range of performance areas including:

- League table position;
- Research and partnership;

- Student numbers;
- Financial sustainability (cash flow, reserves, ability to service debt) and the completion of major capital projects to improve the university's estate.

The Principal was offered, but declined to accept, a payrise for 2021/22. In 2020/21 the Principal waived part of his salary which contributed to the Student Hardship Fund. Increases in the USS deficit recovery percentage have increased the USS cost of the Principal's emoluments in 2021/22.

The Principal of the university's basic salary is 8.7 times (2020/21 8.0 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the university to its staff, including casual, agency and contract staff.

The Principal of the university's total remuneration is 9.3 times (2020/21 8.3 times) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the university of its staff.

Remuneration of higher-paid staff

	Year ended 31 July 2022	Year ended 31 July 2021
	Number	Number
£100,000 to £104,999	13	18
£105,000 to £109,999	12	5
£110,000 to £114,999	6	10
£115,000 to £119,999	7	8
£120,000 to £124,999	4	5
£125,000 to £129,999	1	1
£130,000 to £134,999	2	1
£135,000 to £139,999	2	-
£140,000 to £144,999	-	1
£145,000 to £149,999	-	-
£150,000 to £154,999	-	-
£155,000 to £159,999	2	-
£160,000 to £164,999	-	1
£165,000 to £169,999	1	-
£170,000 to £174,999	1	1
None: £175,000 to £284,999	-	-
£285,000 to £289,999	-	1
£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. Any visiting lecturers disclosed have been aligned with university standard payscales. The analysis above includes the Principal, who waived part of his salary in 2020/21.

Notes to the Financial Statements

for the year ended 31 July 2022

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 £6.7m (2020/21 £6.4m) in total, as applicable.

The Emoluments of the Principal and Remuneration of Other Higher Paid Staff are shown prior to any salary sacrifice.

	Year ended 31 July 2022	Year ended 31 July 2021
	Number	Number (restated)
Average FTE staff numbers by major category :		
Academic, Research and Other	849	818
Management & specialist	428	419
Technical	69	70
Other	325	327
	1,671	1,634

From 2021/22 onwards staff numbers align with the university's Higher Education Statistics Agency (HESA) return. The prior year has been restated for consistency.

The total amount of compensation for loss of office across the university was £0.6m (2020/21 £0.3m), for 29 members of staff (2020/21 41).

	Year ended 31 July 2022	Year ended 31 July 2021
	£000	£000
Key management personnel compensation	3,339	1,822

From 2021-22 key management personnel comprise the university's Executive team. (In 2020-21 the compensation for this team was £2.9m.)

Council Members

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

In 2021/22 expenses of £915 (2020/21 £64) were paid to 4 (2020/21 2) 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 2021/22 (2020/21: £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.

Notes	Year Ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
10 Interest and other finance costs				
Loan interest	4,359	4,359	4,345	4,345
	4,359	4,359	4,345	4,345
Net charge on pension scheme	232	232	209	209
	4,591	4,591	4,554	4,554

	Year Ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
11 Analysis of total expenditure by activity				
Academic, research and related expenditure	20,775	20,775	25,184	25,184
Administration and central services	14,524	14,524	9,287	9,287
Premises	13,518	13,518	10,749	10,749
Residences, catering and conferences	1,037	1,037	237	237
Other expenses	9,488	9,488	8,057	8,057
	59,342	59,342	53,514	53,514

Other operating expenses include:

External auditors remuneration in respect of audit services	70	70	64	64
External auditors remuneration in respect of non-audit services	7	7	4	4

	Year Ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
11b Access and Participation (i)				
Access Investment	1,814	1,814	1,625	1,625
Financial Support	3,553	3,553	3,531	3,531
Disability Support	62	62	88	88
Research and Evaluation	179	179	169	169
	5,608	5,608	5,413	5,413

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

The College has spent £5.6m on reportable Access and Participation expenditure during 2021-22 (£5.4m 2020-21). From 2020-21, 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 underrepresented 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 College's Access and Participation Plan can be found here: royalholloway.ac.uk/studying-here/schools-and-colleges/widening-access/

	Year Ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
12 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Singapore Corporate Tax	(142)	(142)	22	22
Current tax expense	(142)	(142)	22	22

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 2021/22 or 2020/21. A tax refund was due in 2021/22 of £142k in relation to Kaplan Business School (2020/21: charge of £22k).

Notes to the Financial Statements

for the year ended 31 July 2022

13 Intangible assets

Consolidated and University

	Total
	£000
Networked Application Software	
Cost	
At 1 August 2021	9,264
Additions in the year	686
At 31 July 2022	<u>9,950</u>
Amortisation	
At 1 August 2021	3,976
Amortisation charge for the year	869
At 31 July 2022	<u>4,845</u>
Net book value	
At 31 July 2022	<u>5,105</u>
At 31 July 2021	<u>5,288</u>

14 Investments

Consolidated and University

Endowment Assets

At 1 August 2021	56,784
Additions	8,868
Disposals	(9,464)
(Loss) on Investments	(1,884)
At 31 July 2022	<u>54,304</u>

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

Name	Country of Incorporation	Principal Activity	% of shares held by
			University & Group
Subsidiary Undertakings			
Royal Holloway Enterprise Limited (dormant)	Great Britain	Consultancy	100
Associates and Joint ventures			
Abatis (UK) Limited	Great Britain	Business and domestic software development	19
Seclea Ltd	Great Britain		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
Consolidated and University						
Cost or valuation						
At 1 August 2021	447,439	7,480	30,038	74,143	1,520	560,620
Additions	308	179	-	3,129	7,118	10,734
Completed Assets	1,489	262	-	1,046	(2,797)	-
Transfer	-	(261)	-	261	-	-
Change in Market Value	-	-	333	-	-	333
Disposals	(15,191)	-	-	(6,260)	(14)	(21,465)
At 31 July 2022	434,045	7,660	30,371	72,319	5,827	550,222
Consisting of valuation as at:						
31 July 2022	172,706	1,800	30,371	796	-	205,673
Cost	261,339	5,860	-	71,523	5,827	344,549
	434,045	7,660	30,371	72,319	5,827	550,222
Depreciation						
At 1 August 2021	126,070	4,435	-	50,515	-	181,020
Transfer	-	(33)	-	33	-	-
Charge for the year	11,022	508	-	5,386	-	16,916
Disposals	(15,191)	-	-	(6,260)	-	(21,451)
At 31 July 2022	121,901	4,910	-	49,674	-	176,485
Net book value						
At 31 July 2022	312,144	2,750	30,371	22,645	5,827	373,737
At 31 July 2021	321,369	3,045	30,038	23,628	1,520	379,600

At 31 July 2022, freehold land and buildings included £130.6m (2021 £130.6m) in respect of freehold land and is not depreciated. Freehold land and building at cost included £6,664k of capitalised finance costs (2021 £6,664K). Assets in the course of construction include £nil of capitalised finance costs (2021 £nil).

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 2022

16 Debtors

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year:				
Student and other trade receivables	2,939	2,939	3,414	3,414
Prepayments and accrued income	12,210	12,210	10,375	10,375
	15,149	15,149	13,789	13,789

17 Current Investments

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Short term deposits	60,000	60,000	31,800	31,800

18 Creditors: amounts falling due within one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Trade payables	3,614	3,614	2,909	2,909
Payments received on account	7,108	7,108	6,571	6,571
Social security and other taxation payable	4,603	4,603	4,099	4,099
Accruals and deferred income	34,538	34,538	40,384	40,384
	49,863	49,863	53,963	53,963

19 Creditors: amounts falling due after more than one year

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £000	University £000	Consolidated £000	University £000
Deferred capital grants	17,906	17,906	18,338	18,338
Unsecured loans	140,000	140,000	140,000	140,000
	157,906	157,906	158,338	158,338

Analysis of secured and unsecured loans:

Due within one year or on demand (Note 18)

Due between one and two years

Due between two and five years

Due in five years or more

Due after more than one year

Total secured and unsecured loans

-	-	-	-
-	-	-	-
-	-	-	-
140,000	140,000	140,000	140,000
140,000	140,000	140,000	140,000
140,000	140,000	140,000	140,000

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>		

As at 31 July 2022 the group is not exposed to any risk arising from interest rate benchmark reforms as all loans have fixed rates until the end of the term.

Notes to the Financial Statements

for the year ended 31 July 2022

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

	Consolidated and University	
	Year ended	
	31 July 2022	31 July 2021
	£000	£000
Consolidated and University financial instruments may be analysed as follows:		
Financial Assets		
Financial assets measured at fair value through profit or loss	54,304	56,784
Financial assets measured at fair value through profit or loss comprises the fixed asset investments.		
Financial Liabilities		
Financial liabilities measured at amortised cost	140,000	140,000
Financial liabilities measured at amortised cost comprise loans.	140,000	140,000

20 Provisions for liabilities

Consolidated and University	Obligation to fund deficit on USS Pension £000	Other £000	Total Provisions £000
At 1 August 2021	26,629	350	26,979
Utilised in year	(1,331)	(325)	(1,656)
Additions	43,404	20	43,424
At 31 July 2022	68,702	45	68,747

Pension enhancement

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

	USS
Discount rate	3.31%
Inflation	7.00%
Staff changes	0.60%

USS 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 2022	Approximate impact £000
0.5% pa decrease in discount rate	2,600
0.5% pa increase in salary inflation over duration	2,613
0.5% pa increase in salary inflation year 1 only	305
0.5% increase in staff changes over duration	2,659
0.5% increase in staff changes year 1 only	312
1 year increase in term	9,994

Notes to the Financial Statements

for the year ended 31 July 2022

21 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2022 Total	2021 Total
	£000	£000	£000	£000	£000
Balances at 1 August 2021	83,987	3,334	369	87,690	78,778
New endowments	-	-	-	-	-
Investment income	1,246	78	18	1,342	1,172
Expenditure	(1,246)	(78)	(18)	(1,342)	(1,172)
(Decrease)/increase in market value of investments	(1,724)	(124)	(35)	(1,883)	8,938
Increase/(decrease) in valuation of College collections	-	333	-	333	(26)
	(1,724)	209	(35)	(1,550)	8,912
At 31 July 2022	82,263	3,543	334	86,140	87,690

Analysis by type of purpose

Hilda Martindale Educational Trust	1,059	-	-	1,059	1,101
Other scholarship, prize and fellowship funds	7,754	-	333	8,087	8,162
Founder's Endowment Fund	43,410	-	-	43,410	45,055
Other funds	-	3,213	-	3,213	3,334
College collections	30,371	-	-	30,371	30,038
	82,594	3,213	333	86,140	87,690

Analysis by asset

Fixed assets – College collections	30,371	30,038
Current and non-current asset investments	54,304	56,784
Cash & cash equivalents	1,465	868
	86,140	87,690

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 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	45,055
Income	(1,047)
Expenditure	1,047
Appreciation of Investments	(1,645)
Balance carried forward	43,410

22 Restricted Reserves

	Consolidated and University	
	2022	2021
	Total	Total
	£000	£000
Reserves with restrictions are as follows:		
Balances at 1 August	33	159
New donations	392	328
Expenditure	(425)	(454)
At 31 July	-	33

23 Capital and other commitments

	31 July 2022		31 July 2021	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Provision has not been made for the following capital commitments.				
Commitments contracted at 31 July	1,571	1,571	1,254	1,254
Authorised but not contracted at 31 July	-	-	709	709
	1,571	1,571	1,963	1,963

Capital commitments comprise work on the campus spine road, emergency residential lighting, demolition costs and works to Founder's Square.

24 Lease obligations

Total rentals receivable under operating leases

	31 July 2022	31 July 2021
	£000	£000
Consolidated and University		
Future minimum lease receipts due:		
Not later than 1 year	499	467
Later than 1 year and not later than 5 years	-	-
Total lease payments due	499	467

25 Cash and cash equivalents

	Consolidated and University		
	At 1 August	Cash	At 31 July
	2021	Flows	2022
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	44,875	(16,602)	28,273
Bank overdraft	-	-	-
	44,875	(16,602)	28,273

Notes to the Financial Statements

for the year ended 31 July 2022

26 Consolidated reconciliation of net debt

	Consolidated and University 31 July 2022 £'000
Net debt 1 August 2021 (restated)	95,125
Movement in cash and cash equivalents	16,602
Net debt 31 July 2022	111,727
Change in net debt	16,602

Analysis of net debt:	Consolidated Cash Flows		
	31 July 2022 £'000	Cash Flows £'000	31 July 2021 (restated) £'000
Cash and cash equivalents	28,273	(16,602)	44,875
Unsecured loans	(140,000)	-	(140,000)
Net debt	(111,727)	(16,602)	(95,125)

The prior year figures have been restated to exclude the movement in current asset investments.

27 Pension Schemes

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

	Consolidated and University	
	31 July 2022 £000	31 July 2021 £000
Contributions to USS	20,014	19,032
Contributions to SAUL	2,519	2,338
Other pension contributions and costs	10	10
Total Pension Cost (note 9)	22,543	21,380

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 2021/22 was £6.7m (2020/21 £6.4m).

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 profit and loss account 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 profit and loss account.

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. The directors 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 profit and loss account is £41.8m (2021: (£2.2m)).

Deficit recovery contributions due within one year for the institution are £4.2m (2021: £3.4m).

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:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

Notes to the Financial Statements

for the year ended 31 July 2022

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	7.0%	2.0%

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.

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.

28 Related Party Transactions

Royal Holloway paid grants of £1.4m (2020/21 £1.1m) to Royal Holloway Students' Union.

There were no other related party transactions to disclose.

29 Events after the reporting period

Since the balance sheet date, USS have published a briefing note at the request of the Joint Negotiating Committee (JNC) detailing monitoring analysis of the pension fund as at the end of June 2022. This analysis was produced in order to provide indications of the adequacy of the funding plan, ahead of the next valuation in 2023.

The analysis has shown that since the 2020 valuation there have been some significant and unexpected changes in the global economy that have helped to improve the funding position, for example the increase in real interest rates. While it is clear that projections for the future of inflation and interest rates could materially change between now and 2023, there are indications at this stage of an improved funding position.

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.

Lines	Expendable Net Assets		Year ended 31 July 2022		Year ended 31 July 2021	
			£000	£000	£000	£000
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		180,002		205,337
30	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		86,138		87,723
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)	373,738		379,600	
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		362,647		368,578
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		-		-

Notes to the Financial Statements

for the year ended 31 July 2022

Lines	Expendable Net Assets		Year ended 31 July 2022		Year ended 31 July 2021	
			£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		3,973		8,992
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		7,118		2,030
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		5,106		5,288
17	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		62,900		26,979
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		-		-
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 2022		Year ended 31 July 2021	
			£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		86,138		87,723

Lines	Total Expenses and Losses		Year ended 31 July 2022		Year ended 31 July 2021	
			£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		226,599		179,231
(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 (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(172)		(7,212)
(35),45	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, (loss)	Net investment losses		(172)		(10,212)
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 2022		Year ended 31 July 2021	
			£000	£000	£000	£000
24	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		180,002		205,337
30	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		86,138		87,723
10	Statement of Financial Position - Goodwill	Intangible assets		5,106		5,288
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 2022

Lines	Modified Assets		Year ended 31 July 2022		Year ended 31 July 2021	
			£000	£000	£000	£000
12	Statement of Financial Position - Total Assets	Total Assets		534,681		532,340
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		-		5,288
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 end 2022		Year end 2021	
			£000	£000	£000	£000
51	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		(25,760)		6,533
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		199,365		187,814



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