

**Health Sciences University**

**Annual Report and  
Financial Statement**

**Year Ended 31 July 2024**

Company number 00653859

## Legal and Administrative Information

### Company Number

00653859

**Name changed from AECC University  
College to Health Sciences University on  
26 July 2024**

### Independent Governors

M Barnes (Acting Chair)  
J Bremner (Chair)  
A Broadfield (appointed 19.10.23)  
J Conway  
K Frost  
M Gibson (resigned 31.10.24)  
M Gurden  
B Larkin  
N Palmer (appointed 19.10.23)  
A Reyes-Hughes (appointed 19.10.23)  
G Thornton  
P Vandervelde  
K Wilkes

### Subsidiary

AECC Enterprises Limited  
13-15 Parkwood Road Bournemouth  
BH5 2DF

Company Number: 03736325

### Auditors

Azets Audit Services  
Athenia House,  
10-14 Andover Road  
Winchester  
SO23 7BS

### Internal Auditors

Bishop Fleming LLP  
10 Temple Back  
Bristol  
BS1 6FL

### Bankers

HSBC Bank Plc  
1 Centenary Square  
Birmingham  
B1 1HQ

### Solicitors

Frettons LLP  
The Saxon Centre  
11 Bargates  
Christchurch  
BH23 1PZ

Pinsent Masons LLP  
30 Crown Place  
London  
EC2A 4ES

### Registered Office

Parkwood Campus  
Parkwood Road  
Bournemouth  
BH5 2DF

### Chancellor

HRH The Princess Royal (appointed 31.10.24)

### Staff Governor

D Heritage (from 09.05.24)

### Student Governors

L Jenkinson  
I Mitchell (from 01.05.24)  
S Tast (resigned 23.04.24)

### Key Management Personnel / Executive

**Team** L Haig (Vice-Chancellor & Governor ex officio) K McGhee (Deputy Vice-Chancellor – resigned 30.11.24)  
S Potter (Deputy Vice-Chancellor from 01.08.24)  
T Noys (Chief Operating Officer - from 22.04.24)

### Company Secretary

S Thomas

Contents

	Pages
Legal and Administrative Information	1
Contents	2
Welcome from the Acting Chair	3
Vice-Chancellor's Foreword	4
1. Strategic Report	7
2. Financial Review	23
Corporate Governance and Internal Control Statement	28
Independent Auditor's Report to the Members and Governors of HSU	36
Consolidated Statement of Comprehensive Income and Expenditure	39
Consolidated and University Statement of Changes in Reserves	40
Consolidated and University Statement of Financial Position	41
Consolidated and University Statement of Cash Flows	42
Statement of Accounting Policies	43
Notes to the Accounts	49



*HSU Bournemouth Campus*

## Welcome from the Acting Chair



The year 2023/24 has been one of exciting transformational change for the Health Sciences University against a backdrop of significant systemic challenges within the HE sector. HSU has boldly focused on its vision of growth and diversification of degree portfolios to proudly become the first named health sciences university in the UK. The pace of change has been relentless. In mid-July the Office for Students approved our name change from AECC University College to Health Sciences University and two weeks later we completed our successful merger with the University College of Osteopathy in London. Two weeks after that we approved the appointment of Her Royal Highness The Princess Royal as our Chancellor, who was officially installed as Chancellor of HSU at the end of October. These major achievements could not have been achieved without the dedication and hard work of the staff and students at both the Bournemouth and London campuses, who have demonstrated immense resourcefulness, talent and tenacity.

We have made so much progress against our 2021-2026 Fit for the Future Strategy and we have much to be proud of. I would particularly like to highlight our work with the local community, our partnerships with the local and regional health and care providers, local authorities and the voluntary sector, and our progress on EDI and sustainability agendas.

We take our community and civic role very seriously. Over a 10-day period in March we ran a Community Wellness Event offering free health checks, exercise sessions, MSK triage, foot care advice, and diagnostic ultrasound. Using our state-of-the-art technical facilities at the Bournemouth campus we provided a simulated training programme, for Good Oaks Homecare, a Poole based home care provider with national franchises. The aim was to upskill home care workers using simulation based education. The extremely positive results of this work were presented at The Association for Simulated Practice in Healthcare Conference. In July 2024 and as part of NHSE Community Diagnostics rollout, we entered into an agreement with University Hospitals Dorset to set up an Imaging Centre on the Bournemouth campus with a CT scanner and ultrasound suite, providing critical diagnostic imaging capacity for local patients within a community setting.

As a Board we are mindful of our need to embrace cultural change as our institution grows. We have made good progress with our Equity, Diversity, Inclusion and Belonging Initiatives and I am pleased to report that the last report showed a further reduction in our gender pay gap. Regarding our sustainability agenda post-merger, we are working to develop an integrated sustainability plan which will seek to align our efforts with the wider HE sector and the NHS.

In terms of governance, we had a few changes. We welcomed Daniel Heritage, successfully voted as Staff Governor and confirmed Nick Palmer as an Independent Governor. We said goodbye to Governor Mike Gibson after 4 years of service. Mike played a key role in the establishment of HSU's Integrated Rehabilitation Centre, and we also benefitted from his experience on an HSU digital strategy. We also said goodbye to Silja Tast, our Student Governor after her one year post ended, and we welcomed Isobel Mitchell to the role. Louie Jenkinson stayed in post as our other Student Governor, and he was also elected as SU President of the Bournemouth Campus. Many thanks to our Student Governors for the incredible role they play in the success of HSU.

Finally, I would like to thank our excellent Board of Governors who are totally focused on ensuring that HSU goes from strength to strength. Their oversight, scrutiny and challenge is always handled with care and consideration. Lastly, but certainly not least, many thanks to Vice Chancellor, Professor Lesley Haig for her visionary leadership, to her executive and management teams and to all staff who embrace the vision and values of HSU and who work relentlessly to make a difference in all that we do.

*Monika Barnes*

**Monika Barnes**

**Acting Chair of Board of Governors  
12 December 2024**



## Vice-Chancellor's Foreword

I am delighted to provide an overview of what has been a momentous year as we have transitioned from a University College to become a dual campus specialist Health Sciences University.

After a process taking around a calendar year and having gained appropriate permissions from the Office for Students and the Department for Education, the institutional name officially changed to Health Sciences University (HSU) on 26<sup>th</sup> July 2024. Following over a year of negotiations, due diligence and planning the University College of Osteopathy merged with HSU on 1<sup>st</sup> August 2024.

Both of these developments followed an intense year of deliberation and planning by Boards, staff and students across both organisations to ensure that the newly merged organisation was compliant, fit for purpose, capable of achieving future success, while at the same time able to provide assurance that it would preserve and promote its heritage provision of chiropractic and osteopathy. I am hugely grateful to everyone involved in the merger across both organisations.

Despite the difficulties faced by the sector and the challenges associated with preparing for merger, institutional turnover increased 9% to £16.1m and clinical income was up 20%. An operational surplus of £373k was achieved before expenses on the pre-merger project, legal and other due diligence costs of £629k.

The experience of our students sits at the heart of our work. There was a considerable stepping up of student engagement activity including staff-student themed workshops, a Student Engagement Conference in March 2024, and a number of other engagement events including a staff-student sports day. Students from under-represented groups attended a pre-induction 'Transition programme' to help familiarise them into University life. As part of our commitment to the Mental Health Charter, a range of events were held on Mental Health Day in March 2024.

Our student experience has also been enhanced through increasing our HSU accommodation offer, increasing study space in the Library, a new Practice Learning Lounge, a Writing Café, and the creation of a new Chiropractic Society and an Interprofessional Society. Our Future Pathways Employability Event for chiropractic students saw over 50 clinics in attendance.

It is essential that staff at all levels are provided with opportunities to continue to develop their educational practice. In addition to the Learning and Teaching Conference, we launched a new PG Certificate in Health Sciences Education for our own staff.

Our Centre for Workforce and Systems Innovation provides a thriving focal point for external engagement with partners across health and care systems. Following extensive stakeholder engagement, over 35 taught units have been developed to upskill the local workforce, and a three-year apprenticeship strategy was co-produced with partners at a well-attended stakeholder event in December 2023. We have developed a Community of Practice to support First Contact Practitioners in sharing practice and continuing to learn together through CPD evening sessions. We were successful in gaining Office for Students Wave 3 Apprenticeship funding to develop Level 6 Apprenticeships in Allied Health.

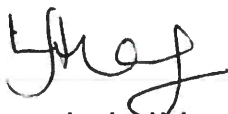
Our clinical services continue to grow through diversification at over thirteen services, now including a new ultrasound-guided injection service and an orthotist service. We have clinical partnerships with over 60 external clinics who, as part of our clinical community, can refer into our service and attend free CPD events. At a time when NHS and other clinical services are severely stretched and clinical placement capacity is limited, we continue to expand our onsite placement offer, and over the past year have supported over 200 of our own students undertaking placements in our onsite clinics.

Our Research and Knowledge Exchange provision continues to expand. In April 2024 we were delighted to host a very successful Physiotherapy Research Society's Annual Conference on our Bournemouth Campus. We have developed a new HSU RKE Hub, and have won multiple project bids for PhD studentships, workforce and research projects.

We are highly committed to the local growth and regeneration agenda in Dorset. As part of the Dorset Skills Board, we supported the development of Dorset's Local Skills Improvement Plan, are core members of the Dorset Innovation Hub, founding members of Wessex Health Partners, and support the Boscombe Town's Fund developments. In addition to the new onsite Imaging Centre, we support a Brain Health Clinic onsite in partnership with Dorset Healthcare, supporting research into early dementia diagnosis. In May 2024 we signed up to the National Co-ordinating Centre for Public Engagement Manifesto for Public Engagement, declaring our ongoing commitment to meaningful engagement and inclusive knowledge. This signing took place at the first lecture in our Professorial Inaugural Lecture series.

Our professional services teams have continued to work relentlessly during the year. Following the name change in July 2024 we launched our new HSU brand and website, our new Clinic branding and a few days later formerly merged with the UCO, launching a series of internal and external communications. Our Estates Teams have continued to improve our Bournemouth Campus, while planning improvements to London. Our IT colleagues have replaced our PACs system while working through the implications of merged digital services across two campuses and organisations, and our People Department have supported our cultural integration alongside the practical elements of merger including TUPE, payroll and contractual processes.

I continue to be grateful to all our staff, students, patients and partners, and our dedicated Board of Governors for their commitment to supporting our institutional development and growth, realising our ambition to transform lives and make a difference in all we do. It is a privilege and pleasure to work with such committed and dedicated colleagues within a mutually supportive community. The coming year will continue to be one of hard work and transition as we refresh our strategic plan, navigate a changing external environment and optimise our considerable opportunities for development with our new brand and an additional London base.



**Professor Lesley Haig**

**Vice Chancellor  
12 December 2024**

## Strategic Report

### 1. *Statement of Public Benefit*

Health Sciences University (formerly AECC University College) is a company limited by guarantee registered with Companies House in England and Wales under number 00653859. As an exempt charity, it is required to demonstrate how its work is of 'public benefit'. It is governed by its Articles of Association and is directed by its Board of Governors acting under these Articles of Association. The Board has ultimate responsibility for the strategy, performance and sustainability of the Institution. It approves the University's mission and strategy, monitors institutional performance and ensures its effective management.

The University's vision and mission reflect its commitment to public benefit. The objects, as set out in its revised Articles of Association, are:

- to advance learning and knowledge through teaching and research in health sciences, health and care professions, healthcare management and related disciplines;
- to establish clinical facilities and services for the promotion and maintenance of health and care, and to support education and research in health sciences education and related disciplines;
- to promote and support the advancement of health and care professions.

The University's mission, vision and aims as articulated in its Strategic Plan 2021-2026 have been developed in support of the Institution's primary purpose.

The main beneficiaries are current and prospective students for whom HSU provides foundation, undergraduate and postgraduate programmes of study, degree apprenticeships, and continuing professional development in the subject areas of chiropractic, allied health including osteopathy, medical imaging, rehabilitation and sport and exercise sciences. The University continues to broaden its portfolio across the disciplines within its objects to support the needs of professions working in health and care-related professions.

Whilst having Exempt Charity status and therefore no longer registered with the Charity Commission, the Board of Governors has had due regard to the Charity Commission's guidance on the reporting of public benefit and its supplementary public benefit guidance on the advancement of education. Through its range of activities, HSU provides benefits to different sections of the public as follows:

#### Teaching and Learning

In August 2023, as AECC University College, our three academic Schools of Chiropractic; Radiology; and Rehabilitation, Sport and Psychology (RSP) were consolidated into two schools, with Radiology and RSP becoming the School of Health and Rehabilitation Sciences (HRS). This placed all HCPC (Health and Care Professions Council) regulated courses under the one school, essentially creating two schools of equal size, the formation of discipline leads and a better student experience. The University College enrolled a total of 1433 students, 1179.11 FTE students: 828 undergraduates, 813.33 FTE and 605 taught postgraduates, 365.78 FTE from the UK, EU and overseas. This is a 13% increase in total student numbers from last year or 15.4% increase in FTE, demonstrating our commitment to expanding and diversifying our curriculum offer. Of note, is that student UG numbers decreased but PG increased.). This reflects the continued success of part-time and CPD offering of postgraduate provision and whilst it is encouraging to report, it highlights the need for more full-time provision to increase income as the University continues to grow.

At the same time the School of Chiropractic was renamed the AECC School of Chiropractic to re-emphasize the School's link with the historic AECC name and its proud heritage, and as the University College continued to diversify its portfolio beyond chiropractic and worked towards changing its name. The School continues to provide innovative and globally respected education and training in chiropractic with a focus on research-led, evidence-informed care. It is the largest and most highly regarded chiropractic training college in Europe and leads the way in terms of applied research and clinical education in this field. In addition to credit-bearing courses, such as the flagship MChiro, the graduate-entry pre-reg MSc Chiropractic and the MSc Musculoskeletal Paediatric Health, the School offers a wide range of musculoskeletal-focused continuing professional development (CPD) courses and workshops delivered by world-leading experts.

The School of Health and Rehabilitation Sciences provides excellent education, delivered by experts practising and researching in their respective fields. An annual programme of specialist expert lectures complements a

growing portfolio of undergraduate and postgraduate courses in the School's five subject groups: Medical Imaging, Radiography and Radiotherapy (MIRR); Sport, Exercise and Performance (SEP); Physiotherapy, Occupational therapy and Podiatry (POTP); Speech and Language Therapy and Dietetics (SLTD); and Psychology and Mental Health (PMH); together with a growing body of research. The School offers all of our HCPC registered courses including the BSc (Hons) Radiography (Diagnostic Imaging) and BSc (Hons) Radiography (Radiotherapy and Oncology) and five postgraduate pre-registration MSc degrees: Physiotherapy; Dietetics; Podiatry; Occupational Therapy; Speech and Language Therapy. Within the broader imaging portfolio, we offer MSc Breast Imaging and MSc Medical Ultrasound. The School also offers two non-HCPC approved undergraduate courses and three postgraduate courses around sport and rehabilitation. This is testament to listening to NHS partners, identifying workforce needs, creating relevant accredited courses and contributing to the University strategic plan. In addition, the School has also developed a level 7 apprenticeship in dietetics.

Following the merger of the London-based University College of Osteopathy with HSU on 1<sup>st</sup> August 2024, the new entity overseeing the academic staff and students in osteopathy is the *UCO School of Osteopathy*. This name provides continuity with the UCO's proud heritage and long history, having been founded in 1917 as the first osteopathic training provider in Europe under its original title, the British School of Osteopathy.

August 2024 also saw the development of a Health Business School with a newly appointed Head of School.

Whilst the recruitment of Health Business School students will not occur until 2025, the remaining three schools collectively recruited broadly in line with targets.



*London-based campus showing some of the learning facilities*

**Enabling Access and Participation**

This was the fourth year of our 2020-25 Access and Participation Plan. The Plan sets ambitious targets which are delivered through longer term initiatives and projects. We continue to focus primarily on access for a number



of groups currently under-represented in the University; continuation of studies for students from Low-Participation Neighbourhoods (LPN's), low-income backgrounds and students with a disability; and progression after university for Global Majority students (with a focus on Black and Asian students). We review our bursary offer in line with the annual evaluation of financial support and tailor this to our students' needs. We continued to apply a Bursaries and a Scholarship Policy to support the financial burden of higher education and widen access to disadvantaged students. We have continued to operate the Student Support Fund, which acts as a provision to support students who encounter financial hardship during their studies with the intention to alleviate financial stress and support mental wellbeing.

We have continued to engage with local schools, and we have worked with approximately 650 pre-16 students and 600 post-16 students, totalling 1267 school students. Activities have included our transition programme, three summer schools, STEM festivals, Clinical Work Experience, careers fairs and collaborative projects alongside Bournemouth University and the Arts University Bournemouth. We continue to be an active member of the Southern Universities Network and have established a relationship with a local young carer's charity, MYTIME.

In addition, we have developed resources and initiatives to support our students to reach their potential during their studies. We have continued to develop our transition programme for new students from under-represented groups in the University to help them integrate at the start of the courses. We have continued and developed the Peer Assisted Learning Scheme (PAL) with the aim to foster cross-year support between students on the same course and we have expanded our opportunity to get involved with Access & Participation outreach work for our students by introducing the roles of Senior Specialist Student Ambassadors.

Access and Participation expenditure is disclosed in note 22 of the financial statements.



*Clinical Skills Suite for Chiropractic students learning technique*

## Research and Knowledge Transfer

Building on the outcome of our successful initial submission to the Research Excellence Framework (REF 2021), the University College received research funding from Research England of c.£111k. This was invested in initiatives to build research capacity and enhance the research culture and infrastructure. For example, investment was made in research training and development for staff, pump priming awards for early career researchers, paid research assistant opportunities for our students, research impact acceleration, and publications with open access fees. To further support the development of our research culture, during 2023/24 the University College was proud to sign the Declaration on Research Assessment (DORA) and join the Coalition for Advancing Research Assessment (CoARA) to demonstrate our commitment to fostering fairness, inclusivity, and excellence in research assessment, valuing diverse contributions and advancing societal impact.

In recognition of the importance of postgraduate research (PGR) students to the research ecosystem, during 2023/24 the University College implemented a strategy to grow PGR student numbers, increase supervisor capacity, and improve the PGR student experience. The University College invested in two fully funded studentships and two fee waivers and external funding was secured for two further fully funded studentships. In October 2024, the University College enrolled 11 new PGR students, whose projects span a range of topics, for example, dietetics, speech and language therapy, musculoskeletal care, and psychology in sport rehabilitation.

There was a significant increase in the number of applications submitted for external research and KE funding in 2023/24 compared to previous years. Many of these were successful and examples of awarded projects include PhD studentships funded by the Royal College of Chiropractors and the Chiropractic Research Council, several research grants from the Osteopathic Foundation, apprenticeship funding from the Office for Students, and funding to catalyse research assessment reform from the EU's Horizon Europe programme.

The University College received Higher Education Innovation Funding (HEIF) for the first time in academic year 2023/24, recognising HEIF income of c.£183k. This was invested in accordance with our [HEIF Accountability Statement](#) and aligned with UK government priorities. It enabled the University College to invest in dedicated knowledge exchange (KE) posts, as well as contributing to staff time in KE units such as the Centre for Workforce and Systems Innovation and Clinical & Rehabilitation Services. An Innovation Vouchers scheme was piloted to allow small to medium-sized enterprise (SMEs) to access academic skills and expertise to improve the innovation capability of their business and strengthen links with the University College.

In 2024, the University College signed the national *Manifesto for Public Engagement* to demonstrate our commitment to building meaningful connections with the public, ensuring our research and teaching benefit society and address real-world challenges. HEIF was used to develop and launch our professorial inaugural lectures series, with Professor Richard Brown delivering the first lecture in May 2024.

Being a recipient of HEIF resulted in the University College being awarded additional funding from the UK government's Regional Innovation Fund (RIF, c.£78k). This was invested in five regional innovation projects, including the two-week Health & Care Pop-Up event in Boscombe in March 2024, the development of a muscle strengthening programme to support older people with Sarcopenia and prevent falls, and a collaborative project with a homecare company to upskill the care sector using simulation-based education.

We are a founding partner of Wessex Health Partners, a strategic collaborative venture between seven NHS Trusts from Hampshire, Isle of Wight and Dorset, three other regional universities, two Integrated Care Boards, and Health Innovation Wessex. This has produced training, research and collaboration opportunities across the region over the past 18 months and continues to grow.

Underpinning the above are the Professoriate, which continues to grow from 11 Associate Professor and Professor staff members last year to 15 members of staff now, with at least one full professor in each of the four schools. They are supported by school research leads and a doctoral co-ordinator in both the London and Bournemouth campuses.

In addition to this, our visiting professor and visiting fellow faculty has significantly increased to 26 people. This is in part, due to the expansion of the Health Business School, with leading healthcare executives joining as visiting faculty.

## Clinical and Rehabilitation Services

Our excellent clinical and rehabilitation services continue to provide affordable healthcare tailored to our patients' needs, support healthcare delivery across the NHS, local authority, voluntary and private providers, and provide practice learning opportunities for our students.

Our partnerships have developed further with University Hospitals Dorset, with the inclusion of a state-of-the-art CT scanner within the main clinic building. This is part of the NHSE national recovery programme for diagnostics, and we are delighted to host patients needing CT and Ultrasound scans as part of their NHS pathway within the University estate. Our Integrated Rehabilitation Centre continues to grow, with increased patient contacts from our Primary Care Network partners who increased their provision for two years by a further 5 primary care clinics offered by our physiotherapy staff. Activity in the Integrated Rehabilitation Centre (IRC) over the year rose steadily from an average of approximately 600 contacts a month in late 2023 to over 800 per month by the summer of 2024. Full completion of 700 NHS Orthopaedic appointments were managed by a combination of Chiropractic and Physiotherapy staff culminating in a publication and 2 conference presentations reporting on multi-professional practice. The clinical imaging services exceeded budget targets, recovering service gaps due to repairs, to ensure patients were seen in a timely manner. The student chiropractic clinic saw an increase on income and activity from the year before and continues to provide an exceptional clinical learning opportunity to the chiropractic students.

New services and ways in which we can support the community have been a central component to the clinic team plans. In March 2024, a community "pop-up" event was offered within the heart of Boscombe. Students and staff worked closely with community networks and service providers to see over 500 contacts from the local population, offering foot health checks, musculoskeletal assessments, NHS Health Checks, referrals into mental health services, smoking cessation and much more with tremendous success. Two additional internally-funded projects were developed and initiated by the IRC team including: an older person strengthening programme; and exercise provision for Nursing Home residents. These projects will continue into next year. The clinic team have opened their doors to the public with free evening wellness events and also to their clinical partners by arranging CPD sessions regarding low back pain, injections, and lower limb rehabilitation.

New services to link with our current offering has again been a feature of growth, The highly sought after Ultrasound guided Injection service led by our Consultant Radiologist is now firmly integrated into our patient offer. This will be built upon with further Orthopaedic consultancy services for the future. The IRC hosts an Orthotist service twice a month, and from a Neurological rehabilitation perspective has seen increasing numbers of stroke, balance and functional disorders being successfully managed in HSU.

Our Clinical student placements are growing, with a phenomenally successful physiotherapy placement being offered across the whole summer period. An arrangement was set in place with the local primary care network to see patients already referred to the local NHS service. The placement was able to reduce the numbers of patients needing appointments in the NHS and therefore have a direct impact on local NHS waiting lists for musculoskeletal care. Podiatry care and dietetics also saw successful placements for our students as well as hosting a further NHS rheumatology service within the podiatry suite.

The Clinical Team continue to be thought leaders, with their "Clinical Insight" series posts regularly attracting thousands of views on social media postings around numerous clinical topics. The clinical team have also been invited to speak at a number of national and international conferences/webinars and local events, all highlighting the excellent clinical expertise within HSU.

## Community Engagement

Our reputation and brand as an anchor institution engaging with the local community and working with others continues to grow. This year we have delivered a range of innovative projects to support our community, such as the GoodOaks homecare project. During Spring – Summer 2024 the CWSI alongside our Practice Related learning team, undertook a collaborative project with GoodOaks Homecare to design and deliver innovative simulation-based training for carers and managers that replicates real-world experiences before they enter clients' homes. This brought a valuable new dimension to the training that GoodOaks offer their home carers, enabling them to provide care more effectively and compassionately. GoodOaks Homecare has also collaborated with HSU to enhance dementia care through training and personalised care plans. In August HSU held a half day event for people and families caring for others with a dementia diagnosis. The event was facilitated by our team of rehabilitation experts, speech and language therapists, occupational therapists and health and social care professionals with talks and activities aimed to help individuals plan for the future.

One of the successfully funded projects was the 2-week health and support pop-up event in the centre of Boscombe providing health, voluntary and support services to members of the public all in one place, with the aim of targeting individuals who do not usually engage with health and support services, reduce the burden on local NHS partners and provide novel learning and multi-disciplinary working opportunities for students across the courses delivered at Health Sciences University. Over the duration of the event over 540 members of the public attended; 155 NHS Health Checks provided, 194 Musculoskeletal Triage and a range of other assessments and sessions including foot health checks, exercise classes, public health talks and dietetic advice sessions.

### **Employees and Company Values**

HSU is committed to being a responsible employer and strives to maintain a people focused culture. We have a committed workforce whose skills, expertise and passion to deliver high quality higher education and clinical care enables the institution to continue to succeed and grow.

The institution is committed to ensuring that the work environment and culture is diverse and inclusive. We seek to provide opportunities to people with different ideas, styles and skills fully embracing the institution values and giving the institution the best opportunity to continue to provide higher education and clinical opportunities in health sciences.

We are a Disability Confident Employer and welcome applications from all abilities. We ensure our staff are trained regularly to promote awareness of inclusion and acceptance of diversity. Line managers have further training on Policy and Processes to ensure they are confident to support any situation in a collaborative and fair manner. We are committed to ensuring all colleagues are respected and their views valued

The institution ensures appropriate communication is in place including monthly newsletters and Staff Assemblies together with departmental meetings and individual one to one sessions between employees and line managers. The Staff Association regularly meets with senior management to discuss issues and concerns directly affecting employees. All staff also have an annual review where any individual issues of concern can be discussed and targets set for the forthcoming year.

HSU regularly distributes financial performance and operational metrics information to the governors and key management personnel allowing them to have visibility over institutional performance. There is an annual budget setting process and the Annual Report and Financial Statements are published on the website, readily available for all employees to view.

The institution has a number of measures in place to review employee engagement. Results from the latest People and Culture survey are shared with senior managers and the outcomes have informed departmental and University action plans. The University takes a proactive approach to staff engagement and wellbeing: key People data is reviewed regularly to ensure we are aware of our staff wellbeing and have a range of internal and external support offerings to ensure staff are supported.

## Strategic Plan 2021-2026 – ‘Fit for the Future’

### Our Vision

To be a leading specialist health sciences university providing excellent education, clinical care and applied research. We will become an important anchor institution serving our local communities, recognised nationally and internationally as a centre of excellence.

### Our Mission

Creating a healthier society through education, research and clinical care.

### Our Values

Our values set out to guide not just what we do but also ‘how’ we do things:

**Caring** – Caring is demonstrated every day by expressing and accepting caring, compassion and respect in our personal and professional relationships. As a health sciences university, we treat people with respect and compassion on a daily basis.

**Professional** – We take pride in the quality and standards of the work that we do and the relationships we form. We are competent and reliable, working in an ethical way and seek to be excellent in all that we do.

**Passionate** – We passionately believe in the power of education to inspire and transform lives, and in healthcare to enable and support people to reach their full potential, to be happy, live well and thrive.

**Inclusive** – We welcome diversity as an essential component of a healthy society and an enriched educational environment. We strive to create a safe and accessible space where all students and staff feel they belong and can flourish as part of our supportive community. Our patient services are centred on the needs of each individual, delivered in an atmosphere of dignity and respect.

**Collaborative** – To play our part in solving complex world problems we believe in the power of working together. Our multi-professional environment provides opportunities for collaborative working, interprofessional education and multidisciplinary patient care to benefit our students, staff and patients. We are small and specialist but together with our partners we can make a big difference



*Our students inside the integrated rehabilitation centre*

## Review of Progress Against Objectives to Achieve Strategic Aims

2023-24 saw us complete year 3 of our Corporate Strategic Plan for 2021-2026. The aims and progress outlined below relate to the delivery of this plan. While there have been some excellent developments, the work associated with the merger with the University College of Osteopathy overtook business as usual as the year progressed to differing extents across the organisation. Significant reprioritisation was required due to the additional workload in preparation for the merger. This increased workload was particularly high for professional services teams in Registry, Finance, IT, Estates and Facilities and People. These efforts were focused primarily on ensuring due diligence was completed and the merged organisation would be legally and regulatorily compliant. There was also significant work to ensure acceptable cultural and operational integration and effectiveness from 1<sup>st</sup> August 2024.

The following provides a description of the key developments during 2023/24.

### **Strategic Aim 1 – Provide an outstanding student experience and deliver excellent graduate outcomes for all**

Significant work has taken place this year in relation to the Student Engagement Strategy. Identified priorities have been progressed, promoting the student voice, and latest survey results demonstrate improved results. The Mental Health Charter Action Plan has been developed which will be progressed this academic year. Multi-disciplinary working has been developed in practice with MDT sessions held in practice placements. The PAL Scheme has continued to develop positively. Student awareness of support services continues to increase, with increased engagement as a result. Work is ongoing relating to assessment and feedback processes and practice learning policy. Estates developments have continued, including additional study spaces in the Library, refurbishments to student social spaces, gym improvements, and updates to accessible toilet facilities. Some developments relating to curriculum development, monitoring and auditing has been delayed due to merger activities; however, work was completed into role descriptors for academic leadership roles.

### **Strategic Aim 2 - Support the expansion and development of the health workforce by providing demand-led high-quality education and training programmes**

New courses have been developed and delivered as planned in First Contact Practice commissioned by NHSE, further apprenticeships have been developed for delivery in 2024/25. Approval has been gained for delivery in London for MChiro. New psychology courses have been developed for online delivery. A partnership with the Portobello Institute in Ireland has been established for the delivery of a HCPC-approved course in Physiotherapy plus Sport Rehabilitation courses. Stand-alone units submitted for delivery on a Professional Development Framework, offering flexible options and routes to awards. New provision is intelligence-led, based on regular consultation with local and regional partners.

### **Strategic Aim 3 - Provide affordable patient-centred care through multidisciplinary clinical, rehabilitation and diagnostic services**

Greater numbers of student placements have been provided for physiotherapy, dietetics and podiatry students. New services have been developed in injecting. Sarcopenia project achieved ethics approval, and Care Home project progressing. New Imaging Centre on site in partnership with local NHS Trust. Excellent relationships as a system partner.

### **Strategic Aim 4 - Position ourselves as a first-choice partner within specialisms for research and innovation in the health science community**

Our PGR student numbers continue to grow, promoted by funding competitions and improved awareness. Our RKE infrastructure continues to develop positively, supporting increasing numbers of bids (86% success). Researcher development is increasing, with externally facilitated sessions. HSU has been selected for a national People, Culture and Environment (PCE) pilot for REF2029. Manifesto for Public Engagement signatory. Greater PPI through University SPaCE Group. Professorial lecture series launched.

### **Strategic Aim 5 - Establish ourselves as an anchor institution for knowledge exchange and economic development within our local community**

HSU is increasingly well established as a community partner within local systems through membership of key groups and invited attendance at important events. We have a dedicated KE plan which has funded systems and people to support ongoing engagement and development across our broader portfolio and discipline base. Regional funding has enabled community focused projects with ageing populations and embedding VR into manual therapy.

**Strategic Aim 6 - Create an inclusive and sustainable environment in which we support our people and develop our activity, spaces and facilities to be fit for the future**

As stated previously, significant estates capacity has been focused on making preparations to develop the estate in London as well as Bournemouth. A nominations agreement for accommodation has improved the offer for students studying in Bournemouth. Ongoing development in sustainability projects is ongoing, and the learning and social environment for students has been enhanced on both sites. While the Digital Strategy is still to be completed post-merger, a roadmap for change is required to ensure digital integration can be achieved as soon as is possible. Further work is required in Registry to realise system and changes to support the newly formed organisation. The People Department has worked hard to support cultural integration activity, ensure staff engagement, and to support the Mental Health Charter. The Finance team will approve new Financial Regulations post-merger. Enhanced financial controls are in place through new software which has been rolled out. The branding activity carried out by the marketing and communications team included the roll-out of the new HSU identity, a new website and their involvement with communications around the merger which was intense.




**Going forward**

The Strategic Plan will be 'refreshed' in the early part of the 2024-25 academic year post-merger, to ensure that the vision and strategic aims continue to represent: the changes in the internal environment post-merger: the opportunities offered through acquiring an additional base in London and a unique position as a UK provider; the impact of external factors post-general election relating to HE and health; and in light of global trends and the geo-political landscape. We will continue to deliver on activity which will ensure our success and relevance as a specialist University with a new, unique brand which will have a more global appeal. We will continue to support local and regional workforce expansion and development, which will include London in addition to Dorset.

The University recognises its obligations in respect of the sustainability agenda and is committed to progressing a carbon reduction plan post-merger which will apply across both campus locations.

The following table sets out progress during the 2023-24 academic year against the objectives set to deliver the six strategic aims.

Strategic aim	We will achieve these strategic aims through the following objectives:	Progress
<b>Strategic aim 1:</b> <i>Provide an outstanding student experience and deliver excellent graduate outcomes for all</i>	Developing a new student experience strategy with our students as partners	Green
	Maintaining our outstanding graduate outcomes	Orange
	Addressing gaps in success between different groups of students	Orange
	Providing a unique opportunity for students to study and practice together in a multi-professional health science environment	Orange
	Providing more support for student enterprise/entrepreneurialism	Orange
	Investing in learning spaces and facilities	Green
	Developing lifelong learning skills	Orange
<b>Strategic aim 2:</b> <i>Support the expansion and development of the health workforce by providing demand-led high-quality education and training programmes</i>	Expanding our portfolio of Health programmes and grow student numbers to c.2000 at foundation through to postgraduate levels	Orange
	Increasing the breadth and number of CPD programmes and short courses to support flexible, inclusive learning	Green
	Developing and strengthening relationships to ensure we are aware of workforce development requirements	Green
	Being agile and responsive to the needs of our stakeholders	Green
<b>Strategic aim 3:</b> <i>Provide affordable patient-centred care through multidisciplinary clinical, rehabilitation and diagnostic services</i>	Creating a hub of learning, teaching and applied research in a care setting	Orange
	Developing new patient services	Green
	Developing a new Integrated Rehabilitation Centre with a community rehabilitation facility, providing a new model of care recognised as a Centre of Excellence	Green
	Expanding placements and practice learning opportunities for students across all clinical education and training courses	Orange

	Working with partners across the Dorset ICS to support the transformation of health and care services	
<b>Strategic aim 4:</b> <i>Position ourselves as a first-choice partner within specialisms for research and innovation in the health science community</i>	Aligning our research and innovation activities to local and regional priorities	
	Increasing research income and enhancing quality	
	Increasing the number of research partnerships we have with the health and care sector	
<b>Strategic aim 5:</b> <i>Establish ourselves as an anchor institution for knowledge exchange and economic development within our local community</i>	Developing local community partnerships	
	Developing an engagement strategy which encompasses outreach, civic and business engagement	
	Aligning our activities with local and regional priorities	
<b>Strategic aim 6:</b> <i>Create an inclusive and sustainable environment in which we support our people and develop our activity, spaces and facilities to be fit for the future</i>	Creating flexible, high quality physical spaces in an environmentally sustainable way	
	Developing our digital environment to support the activities of our staff and students	
	Creating a transformational and inclusive culture that is person-centred, values led and ambitious	
	Being financially independent, environmentally aware and sustainable	
	Implementing effective organisational structures and processes to promote and facilitate efficiency, agility and innovation	
	Developing operational strategies and plans that will support our growth and the delivery of our strategic priorities	
 = achieved	 = partially achieved or in progress	 = not yet achieved or started or data not yet known

### Investment themes for Estates and Facilities

- Infrastructure – we have continued investment in planned preventative maintenance to conserve and enhance the condition of property assets. This included significant investment to replace an external fire escape stair to Cavendish House which has secured the continued use of the building for decades to come.
- Accessibility – we remain committed to progressively enhancing accessibility across the campus. This year we refurbished and reconfigured the toilet core adjacent the Library in the Main Building which now provides enhanced and expanded accessible toilet provision.
- Space and facilities provision – we continue to invest in the delivery of flexible and high-quality facilities. This year we have created a new flexible teaching and event facility on the ground floor of the Main Building and we were delighted to host HRH The Princess Royal in this new facility during the HSU Launch event. This facility also supports extra-curricular activities organised by the Student Union for the benefit of our students. Our first dedicated PRG office has also been established, to cater for and support our growing number of PRG students.
- Sustainability – we continue to explore ways to enhance our approach to sustainability which is championed via our Sustainability Group. Further incremental enhancements have been achieved including the provision of a food waste collection service and provision of drying cabinets in the Main Building to support active travel. We also renewed our partnership with Pokesdown Community Primary School who deliver Forest School Association accredited programmes on campus for the benefit of local children to foster and develop environmental awareness. Work is also underway to consider how we further develop and mature our approach to sustainability across two campuses post-merger, informed by sector and NHS best practice.
- Asset utilisation – we continue to actively monitor space utilisation and opportunities to support growth and income generation. During the past year we collaborated with University Hospitals



Dorset NHS Foundation Trust to convert an underutilised space on campus into a new Community Diagnostic Centre operated by the Trust for the benefit of our local community. The centre houses a Computed Tomography (CT) scanner and ultrasound facilities. This arrangement provides additional income for the University and has further cemented our long-term strategic relationship with the Trust.

### **Understanding and Managing our Risks**

Any organisation needs to know what it does well and where any potential risks lie that may prevent it from continuing to do so in the future. Understanding the importance of active risk management is vital at all levels of the Institution and effective risk management increases the probability of successful outcomes while protecting the reputation and sustainability of University. This has been a unique year for HSU as it undertook two significant changes in its status – a name change and merger with another HE provider. Both of these changes were undertaken in addition to external impacts exerted in year by a hostile UK government and increasing financial pressures facing students and universities. Additional risks post-merger relate to the management of cash flow / new income generation / managing merger costs / ensuring timely data / providing equitable student support services cross-site .

The University's strategic risk management process continues to provide effective systems for the identification of the major strategic and financial risks within a framework of governance, a defined risk management policy and an underlying control environment.

Individual risk owners assess gross and residual risks at departmental and team level within their individual risk registers and they report emerging and changing risks to the Senior Management Group (SMG) as these emerge and report any updates formally on a monthly basis at SMG meetings. Any significant new risks are reported to the Audit and Risk Assurance Committee which formally reviews and updates the Corporate Risk Register and makes recommendations for approval by the Board of Governors. Target risk tolerances are set by the Board linked to the risk appetite and tolerance framework, which direct the urgency with which mitigating actions should be taken.

Internal Audit supports this process and undertakes reviews of key areas throughout the year as part of a rolling audit plan.

### **Risk Register**

Below are the main risk categories that could adversely affecting the University up until the merger with the UCO. Following the merger, an updated risk register has been generated which combined the HSU and UCO risk registers, and in addition considered any additional risks which would apply as a result of the merger itself.

The risks outlined in the Corporate Risk Register below relate to the period to 31<sup>st</sup> July 2024. Risks added to the Risk Register post-merger included the following, which are also covered in the list below.

#### **Financial Sustainability**

- Failure to manage cash flow
- Failure to generate new income
- Staffing costs increase faster than growth in income
- Failure to optimise business operations post-acquisition

#### **Processes and Digital Infrastructure**

- Failure to provide timely and accurate business information to support strategic and operational decision-making

#### **Student Experience and Graduate Outcomes**

- Failure to provide equitable student academic, mental health and well-being support
- Failure to improve the NSS score towards benchmark levels
- Failure of HSU clinics to meet the requirements of student clinicians

It was also acknowledged that the risk likelihood was raised post-merger in relation to Data Protection, and cyber-security due to the heightened exposure generated by the increased volume of data being managed and transferred between systems during and post-merger.

Set out below are the key risk categories, risks and mitigating actions / controls as at the date of signing the report:

Ref.	Risk Category	Mitigating actions / Controls
1.	<b>Legal, regulation and governance:</b>	
	<ul style="list-style-type: none"> <li>• Failure of Board to discharge responsibilities in respect of Companies Act, Charity Commission and HE Code of Governance.</li> </ul>	<p>Appropriate skills mix and appointment of governors with relevant experience. Regular development and training seminars. Compliance with CUC guidelines and OfS registration condition of public interest governance principles. Independent review.</p>
	<ul style="list-style-type: none"> <li>• Failure to comply with Office for Students and Ofsted Conditions of Registration</li> </ul>	<p>Data collection and management to assure reporting and controls. Sufficient capacity and expertise to prepare and submit reports, with contingency for staff absence.</p> <p>Range of policies and procedures and groups / committees in place for the monitoring and oversight of HE courses and apprenticeships.</p>
	<ul style="list-style-type: none"> <li>• Failure to meet statutory reporting requirements.</li> </ul>	<p>Appropriate management information, sufficient staff capacity and expertise. Regular review of information, plans and reports at relevant Committees / Groups. Regular updates and reports of completed submissions to relevant Board Committees and full Board, gaining approval as required during an annual cycle.</p>
	<ul style="list-style-type: none"> <li>• Failure to comply with Data Protection Act, General Data Protection Regulations (2018) and failure to comply with copyright law in the appropriate production and use of teaching and learning resources.</li> </ul>	<p>Robust information governance systems in place reinforced by staff and student training on GDPR. Copyright policy and guidelines in place for staff and students. Separate and secure PACS storage for imaging services.</p>
	<ul style="list-style-type: none"> <li>• Failure to comply with health and safety legislation/regulations in relation to estate and services.</li> </ul>	<p>Appropriate expertise and capacity to assess, develop and deliver actions to ensure compliance. Health and Safety policies, risk assessments and action plans, mandatory staff training. Disability audits</p>
	<ul style="list-style-type: none"> <li>• Failure to comply with CQC Regulations.</li> </ul>	<p>CQC oversight for governance, ref to CQC guidance, regular Audit. Reports to Board Audit and RA Committee.</p>
2.	<b>Financial Sustainability</b>	
	<ul style="list-style-type: none"> <li>• Failure to manage cash flow</li> </ul>	<p>Monthly financial reporting shared with WMG and F and P. Monthly Business Meetings with School / Clinic Lead holders and ELG. Annual budget setting with follow up financial management with key main budget-holders</p>
	<ul style="list-style-type: none"> <li>• Failure to generate new income</li> </ul>	<p>ELG oversight of HSU Business Development and Delivery Group. Updated oversight and responsibilities around recruitment life cycle</p>

- Staffing costs increase faster than growth in income
- Failure to optimise business operations post-acquisition
- Failure to recruit and retain students.
- Impact of changes in Government policy on University plans
- Failure to expand and diversify education provision.
- Failure to grow and diversify patient services income.
- Failure to mitigate the impact of increasing pension costs and liabilities.
- Failure to mitigate the impact of increased energy costs.

**3. Estates and Facilities**

- Failure to develop the estate and facilities to accommodate planned new provisions.

**4. Information Assurance**

- Failure to maintain sufficient protection against emerging cyber security threats,

ATR sign-off with business cases at ELG level  
Monthly Business Meetings to monitor developments. Close monitoring of local budgets with mitigating action taken in year. Refresh and implement updated academic workload allocation model.

Executive oversight of key services where there are leaders from 2 entities coming together. Oversight of projects through PIE Group. Development of cross-institutional delivery groups.  
Effective communication across HSU at all levels so that key priorities and narrative is clear and consistent

Targeted marketing activity. Robust admissions policies and procedures. Use of overseas recruitment agencies where appropriate. Placement capacity identification and planning. Student academic and wider support services and guidance  
Student engagement policy.

University's focus is on high value, professionally accredited subjects with positive graduate outcomes. Continue to develop and diversify educational portfolio. Continue to increase income generation from other sources - patient services, research and KE/enterprise. Seek direct funding / commissioning from HEE, industry partners, health providers

Strategic alignment, sufficient demand informed by market data and intelligence, in-house expertise / networks to source external expertise, financial planning and professional services support, estates capacity planning. Stakeholder engagement.

Effective marketing strategy and implementation. Monitoring competition and meeting market need. Ensuring value for money by regular review.

Keep under review by Finance & Performance as part of committee business. People and Place Committee approve recommendations for employer contribution - for financial approval as part of annual planning. Annual actuarial valuation of defined pension schemes.

Actions to reduce expenditure including systems and behavioural actions. Sustainability Group formed. Engage energy consultant.

Development of estates strategy. Re-model existing space to expand capacity - to include London Campus. Annual plan agreed as part of budget setting

Multi-layered security and protection mechanisms. Active antivirus, firewall and other appropriate subscriptions. Cyber Security guidance and training provided to users. Cyber Security Assessment.

leading to a potential loss of service or loss of sensitive or personal data.

Mandatory user awareness training. Additional filtering and monitoring systems. Regular vulnerability scans and PEN (Penetration) tests. Cyber insurance.

**5. Processes and Digital Infrastructure**

- Failure to develop and implement an effective digital strategy to deliver the institutional aims.
- Failure to provide timely and accurate business information to support strategic and operational decision-making

Systems developer oversees systems (academic, clinical and business support) and identifying opportunities for more efficient workflows Learning technologists support VLE / digital learning interface - overseen by Head of L and T

Power BI for CRS. Monthly Business Meetings with identified data. Recruitment meeting cycle with identified data.

**6. Community Engagement and Partners**

- Failure to raise the reputation and profile of the organisation to be acknowledged as an important anchor institution.
- Failure to achieve successful partnerships with key local regional and national organisations.

Maintain membership of key groups - Dorset Skills Board, Boscombe Towns Fund Board, SW AHP Council, Dorset AHP Council and Faculty, NHS Dorset ICP, BCP Council Strategy Meetings, Wessex Health Partners Core membership of NHS Dorset Health Innovation Hub. Regular meetings at level of CEO / Education Leads / Practice Learning Leads within major Trust / LA / PVI partners

MOUs (Memorandum of Understanding) and contracts in place where appropriate. Engagement register and contacts list. Contracts register maintained. Attendance and involvement in relevant Groups.

**7. Education and Training**

- Failure to develop or secure sufficient practice learning opportunities to support proposed course developments.
- Failure of courses to meet expected professional and academic standards.

Systematic and regular engagement with HEE and external stakeholders who will be supporting and providing practice placements.

External review including QAA (Quality Assurance Agency), external examiners, PSRB (Professional, Statutory and Regulatory Body) accreditations. Robust quality assurance framework in place. Internal review and monitoring by academic committees. Investment in staff development.

**8. Student Experience and Graduate Outcomes**

- Failure to provide a quality student experience
- Failure to demonstrate successful graduate outcomes.
- Failure to provide equitable student academic, mental health and well-being support

Investment in estates, resources, staff and Student Union. Inclusion of students in academic committee membership, regular meetings with students and SU, student representation at Board level. Formal and informal student feedback with closed feedback loops.

Data collection and availability. Sufficient capacity and expertise to prepare and submit reports, with contingency for staff absence.

Policies and processes around suicide prevention. Student Engagement Strategy themes. Planned roll-

- Failure to improve the NSS score towards benchmark levels
- Failure of HSU clinics to meet the requirements of student clinicians

out of London-based provision in line with business case.

NSS Action Plan - overseen by Exec Lead  
Delivered by School Leads. Dedicated NSS Task and Finish Group. Ensure clarity of roles and actions  
Enhancing sense of belonging

Course monitoring. Student feedback. Monitor via Placement Group, Local audits, implementing Placement policy "

**9. Research and Innovation**

- Failure to develop and implement a sufficiently ambitious research and innovation strategy.

Monitoring of research allocation funding and outcomes via the Head of Research, reporting to RIC  
Deliver and implement on institutional Research Strategy to guide and build research capacity, productivity and income generation.

**10. People and Culture**

- Failure to recruit and retain well qualified staff and plan for succession.

Robust and efficient staff recruitment processes. Advertising widely as appropriate. Staff appraisal, salary review and promotion pathways. Range of pension schemes. Maintain competitive status in sector in relation to pay and conditions.  
Staff development programme rolled out for line managers. Regular staff development days. Pay benchmarking. Streamlined Appraisal system

**11. Patient Safety / Safeguarding**

- Failure to safeguard vulnerable individuals.

Safeguarding Institutional Lead, Principal Safeguarding Officers (PSO Student Services): Clinical, Registry, Student Services. Safeguarding Training for staff / mandatory eLearning.

- 12.**
- Clinical negligence/significant adverse events and injury.

Staff professional / Statutory registration status checked on recruitment and at regular intervals. Staff induction and training. Regular maintenance schedules in place. Incident reporting system and analysis. Clinic Manuals and Handbooks, Policies and Procedures in place. Risk assessments conducted.

**13. Reputation**

- Failure to provide a satisfactory patient / service user experience.

Regular patient satisfaction surveys. Patient testimonials. Regular patient satisfaction surveys / service user feedback across all clinical services.

**14. Business and Enterprise**

- Failure to develop an environment which supports the development and delivery of business and enterprise ideas and projects

Short course / CPD proposal approval forms  
Enterprise proposal forms and process. KE Manager support with costings for internally-generated bids. Tracking of bid submission and success through RKE Office .

## Future Developments

Having worked so hard to achieve recent developments, the University must capitalise on these by maintaining a sharp focus on the priorities required to ensure future success and financial sustainability post-merger. While we seek to refresh our strategic plan in the coming months, these priorities have been widely shared across the institution, align with the merger business case and remain critical to the University achieving its aims as follows: equitable and effective student engagement, wellbeing and support; ensuring a positive culture and environment for our people; new business development through targeted marketing and recruitment; optimisation of the clinic operating to promote profitability across both campuses; partnership development nationally and internationally; development of infrastructure / support services (Estates / IT / People).

The University must maintain its agility to be able to benefit from opportunities which present themselves at relatively short notice. This requires the willingness of key staff alongside the streamlining and digitisation of systems across service to optimise effectiveness and efficiency.

We will remain vigilant and responsive to changes in the external environment, and pivot accordingly. We are extremely mindful of the new government's main missions and are supportive of these. We continue to explore opportunities to widen access, expand our civic duty and support local and regional growth. At the same time, we will maintain our high quality student education and excellent graduate and learner outcomes.

Our Centre for Workforce and Systems Innovation will continue to provide a focal point for our health and care partners to support workforce transformation, promote knowledge exchange, and offer comprehensive professional development programmes for health and care professionals and educators.

Our new Health Business School will provide opportunities for overseas and home students to think creatively and critically to help solve global and national health system challenges. It will quickly become a leading Business School in its field supported by a progressive research centre and expert visiting faculty.

We will continue to prioritise our work with key health and academic partners in the UK and overseas, optimised through our London campus, developing equitable partnerships which provide mutual benefit and are sympathetic to cultural differences.

We will continue to develop our research environment through increasing our PhD student cohort and will see an increase in the volume and quality of our research outputs and activity as we implement our new Research Strategy, working closely with key regional partners.

Our clinical services will remain a beacon of excellence, challenging accepted norms through innovative models of care and the provision of high quality clinical, practice learning and research environments.

Growing capacity across the University College overall will provide greater opportunities for student involvement, optimising use of our expertise and estate and increasing income generation to support capital work and new projects.



*Students in a study seminar session*

## **2. Financial Review**

Health Sciences University (HSU) continues to grow, with total income in 2023-24 increasing by 9% over the previous year from £14.8m to £16.1m. With the integration of activity from University College of Osteopathy (UCO) into HSU with effect from August 2024, this will take our projected total income in the forthcoming year to £21.4m.

This growth was seen across most areas of the University with income up from the previous year in tuition fees, research grants, clinical activity, catering and interest receivable. Recruitment to most courses was either in line with, or above, the previous year, with the exception of our main Master of Chiropractic course, where recruitment is proving to be more challenging, especially outside the UK.

The operating surplus for the 2023-24 year from ongoing activities was lower than in the last two years at £373k, partly as a consequence of the ongoing freeze in UK undergraduate tuition fees against a backdrop of ever-increasing costs. However, we also spent £629k on preparation for the takeover of UCO, mainly on legal and other professional costs and had a revaluation gain from our share of the Dorset County Pension Scheme of £143k, which gave a final comprehensive loss for the year of £113k.

Following on from the successful launch of our first apprenticeships in Advanced Clinical Practice last year we have been awarded £388k by the Office for Students to develop a further four apprenticeships in health-related subjects, which are planned to be available in 2025. We have also continued to develop our ties with NHS Trusts in the region and are offering bespoke health related courses geared to the needs of their staff.

During the year we hosted a mobile MRI unit on behalf of the local NHS Trust to help alleviate waiting list pressures. We have also recently entered into a 10-year agreement with the local NHS Acute Trust to provide space in our clinic facility for them to instal a CT scanner as our contribution as a partner in the new NHS Community Diagnostic Service.

Our research activities continue to grow with additional funding coming from UKRI leading to a 48% increase in overall funding received over last year. In addition, our doctorate programme has been expanded, and we are now able to offer PhD's to more student, some coming with stipends partly funded from a legacy received during the year.

The healthy growth in clinical income (up 20% on last year) was primarily due to our ongoing strategy to diversify from our core Chiropractic business. The Integrated Rehabilitation Centre, which opened in November 2022, continues to increase its activities as we introduce new services, including an expansion to the MSK service for the local Primary Care Network and the introduction of a Podiatry service.

HSU has also benefited from higher UK interest rates during the last 12 months with interest received increased by 65% from the previous year.

Staffing numbers and costs have continued to increase over the period in line with our increased activity. Total staffing costs rose by 16.4% and full-time equivalent staff numbers by 12.9% to 174. During the year we made a pay award of 3.0% to all staff and staff also received a one-off "bonus" payment of £400 in December 2023. As a consequence of this, plus the investment made in additional key posts, the amount of income spent on staffing has increased from 61.1% to 65.4%.

### **Capital Expenditure**

HSU invested £891k in capital improvements during the 2023-24 academic year, most of which was funded from operational activities during the year. Of that, £201k was for preparation work for the installation of a lift in the main building, including the refurbishment of toilet facilities on all three floors to make them suitable for disabled users; £136k on a new picture archiving and communication system (PACS) for use in our Clinical Imaging service and £242k on refurbishment of the Cavendish House building, including replacing the external fire escape.

### **Cash and cash equivalents**

Throughout the year cash reserves decreased from £7.27m in July 2023 to £6.11m at the end of July 2024. This decrease is mainly as a result of HSU making a short-term loan of £1.2m to UCO, to allow them to pay off their long-term debts prior to merger of the two organisations in August 2024

### Pension provisions

Based on the annual report received from the Actuary of the Dorset County Pension Fund, the proportion of the fund that relates to HSU remained in surplus, increasing from £324k at 31 July 2023, to £554k at 31 July 2024. This surplus is not reflected in the balance sheet but does mean that the service cost payable to Dorset County Council (DCC) has been covered by the return and growth in the underlying assets held by DCC, giving us a gain of £143k at the end of the year.

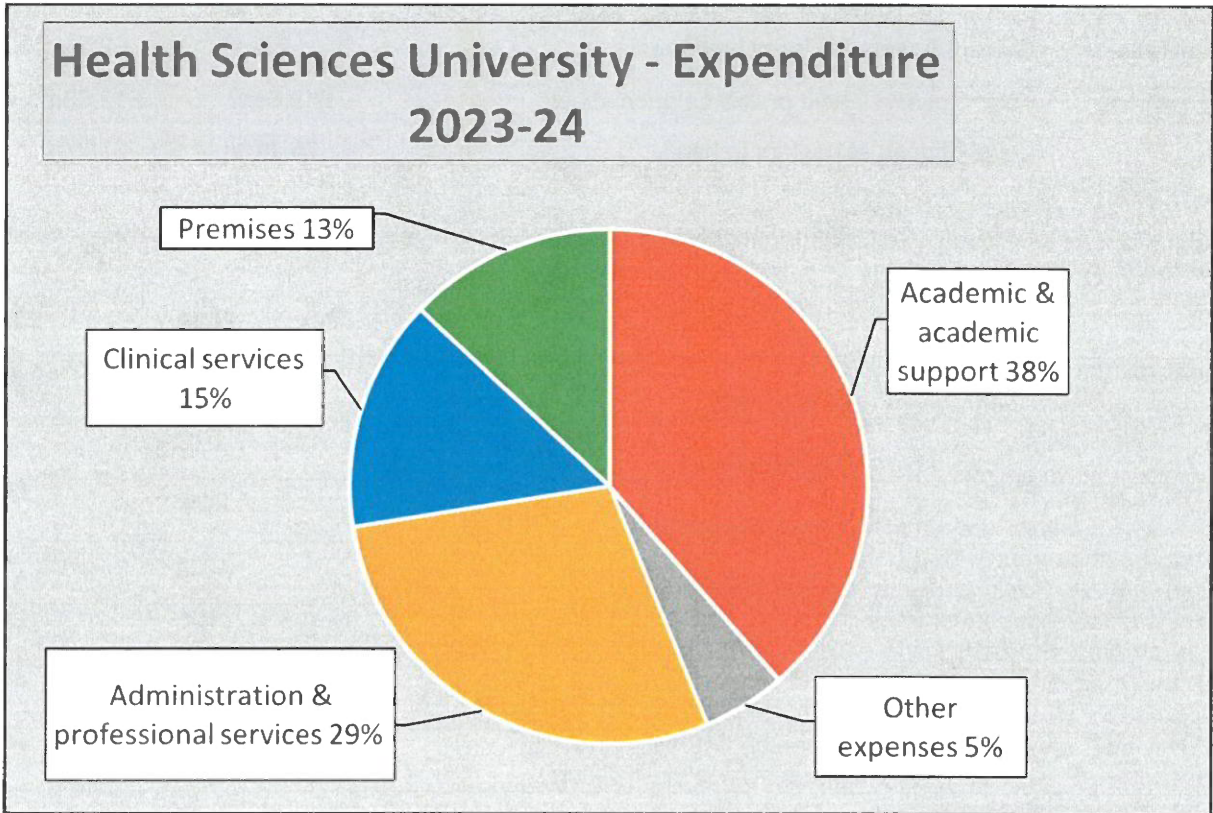
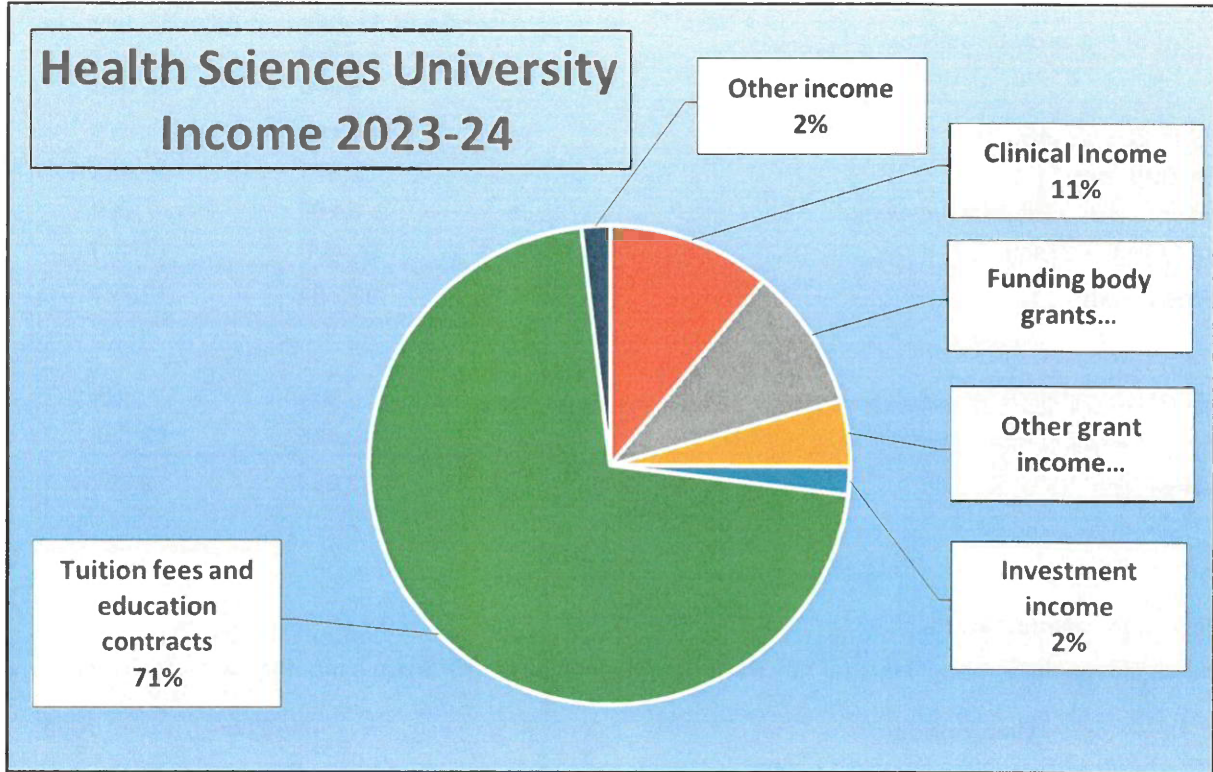
### Reserves

Overall consolidated reserves decreased by 1.0% from £12.80m to £12.68m. This decrease was driven by the operating deficit made during the 12 months, which included £629k of "merger costs" and the gain resulting from the revaluation of the Dorset LGPS pension fund.

The following tables and charts summarise HSU's financial position as set out in the Consolidated Financial Statements :

Income and Expenditure for the year	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
<b>Income:</b>		
Tuition fees & education contracts	11,442	11,057
Funding body grants	1,548	1,624
Other grant income	713	254
Clinical Income	1,773	1,482
Investment income & donations	306	187
Other income	312	187
<b>Total Income</b>	<b>16,094</b>	<b>14,791</b>
<b>Expenditure:</b>		
Staff costs	10,523	9,037
Other operating expenses	4,352	4,187
Depreciation	801	731
Interest & other finance costs	45	78
Exceptional merger costs	629	0
<b>Total Expenditure:</b>	<b>16,350</b>	<b>14,033</b>
<b>(Deficit) / Surplus for the year</b>	<b>(256)</b>	<b>758</b>





Statement of Financial Position	As at 31 July 2024 £'000	As at 31 July 2023 £'000
Tangible fixed assets	11,107	11,017
Net current assets	4,571	4,937
<i>of which 'Cash or cash equivalents'</i>	6,106	7,269
Deferred Capital Grants	(2,994)	(3157)
<b>Total net assets</b>	<b>12,684</b>	<b>12,797</b>
Income and expenditure reserve - restricted reserve	229	241
Income and expenditure reserve – unrestricted	12,455	12,556
<b>Total reserves</b>	<b>12,684</b>	<b>12,797</b>

### Key Performance Indicators

The University monitors many financial Key Performance Indicators (KPIs) on a monthly basis, including:

KPI	Description	2024	2023
Profitability	Surplus/(Deficit) as a percentage of total income	(1.6%)	5.1%
Current ratio	Current Assets : Current Liabilities	2.1:1	2.51:1
Total reserves	Total Reserves held on the balance sheet	£12.68m	£12.80m
Cash	Level of cash at bank or in hand	£6.11m	£7.27m

Financial KPIs, although important, represent only one aspect of the University's business. Therefore, we also monitor the following:

KPI	2024	2023
Completion rate - For undergraduate students (end of final year)	98.9%	98.6%
Staff : Student Ratio - For undergraduate students (as of 1 December)	1:18	1:13
Non-UK students (%) - For undergraduate students (EU & overseas students (as of 1 Dec)	28%	33%
Total student numbers (FTE) - Undergraduate, Postgraduate and Research students	1094	1023.8
Total new Undergraduate entrants - Undergraduate Students (as of 1 Dec)	195	234
Total new Postgraduate entrants - Postgraduate students (as of 1 Dec)	338	130
Academic staff with teaching qualification and/or FHEA (%FTE) - Academic staff with HESA recordable teaching qualification	45%	44%
Number of peer reviewed papers	22	36

Note: student numbers and FTE are for Bournemouth-based students for comparison with 2023 numbers. Postgraduate headcounts have seen a large increase due to the development of our continuing professional development standalone units.

**Treasury Management**

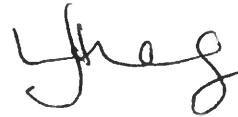
Treasury Management encompasses the management of the University's cash flows, banking, money and capital market transactions and the effective control of the risks associated with those activities. The policy of the University is to safeguard its assets whilst at the same time aiming to achieve the best possible return on its investments. The overriding principle however is to minimise risk rather than maximise returns.

As part of its five-year forecast, the University College has assessed the minimum liquidity levels needed to ensure that financial and operational control is maintained, including the identification of any future borrowing requirement.

**This report was approved by the Board of Governors on 12 December 2024 and signed on its behalf by:**



**Monika Barnes**  
Acting Chair of the Board of Governors



**Prof. Lesley Haig**  
Vice-Chancellor and Governor

## Corporate Governance and Internal Control Statement

The Governors present their annual report and audited financial statements for the year ended 31 July 2024. This report also covers the Trustees' Report as required by Chapter 4 Section 162 of the Charities Act 2011 ("Charities Act").

### Legal status

Health Sciences University is a company limited by guarantee registered with Companies House under number 00653859 and has exempt charity status. It is governed by its Articles of Association. The University is directed by its Board of Governors ("the Board") acting under these Articles of Association. The Board has ultimate responsibility for the strategy, performance and sustainability of the Institution. It approves the University's mission and strategy, monitors institutional performance and ensures its effective management. The current Acting Chair of the Board is Monika Barnes.

The University provides indemnity insurance for the Governors in accordance with, and subject to the conditions in, Chapter 9 Section 189 of the Charities Act 2011.

### Composition of the Board

The articles dictate that the number of Governors who make up the Board (who fulfil the role of directors for company law purposes) shall be a minimum of 12 and a maximum of 20. The majority of Governors appointed by the Board are independent governors but also include the Vice-Chancellor, ex officio, up to two members of the staff of the University ("Staff Governor") appointed in accordance with the rules and up to two members of the student body of the Institution ("Student Governor") elected annually by the students.

There are currently 15 Governors (excluding the Vice-Chancellor as ex officio member) and they are appointed for a term of four years (with the exception of the Student Governors, who are appointed for one year). Terms are extendable, normally to a maximum of eight years but may be extended further in exceptional circumstances upon the recommendation of the Governance & Nominations Committee and with the agreement of the Board of Governors.

With the exception of employees of HSU, the Governors are not paid any remuneration. However, they are entitled to claim reasonable travel and subsistence expenses.

### Organisational structure

The Vice-Chancellor, as Chief Executive of the University, the two Deputy Vice-Chancellors and the Chief Operating Officer make up the Executive Leadership Group and attend Board meetings. This enables the Board to have a close working relationship with the Executive and to focus on important strategic issues in a complex higher education market, in both the UK, Continental Europe and internationally.

The Board of Governors is legally responsible for the overall management of HSU. Operational implementation of the 2021-26 Strategy, approved by the Board, is the responsibility of the Vice-Chancellor and the Executive Leadership Group.

## Committees of the Board

The Board meets at least four times each academic year with much of the detailed work dealt with by formally constituted Committees, each with their own terms of reference that are reviewed annually.

Committees are chaired by Independent Governors and report directly to the Board. Committee minutes are included in the agenda pack of the Board meetings and the Committee Chairs provide a report at the meeting.

*Audit & Risk Assurance Committee.* This Committee provides assurance to the Board on internal controls, compliance and corporate governance including, risk management, value for money, the adequacy of systems generating data for regulators and advising on the appointment of the external and internal auditors. It is responsible for overseeing the internal audit programme and monitoring the implementation of recommendations arising. It recommends the external auditor's management letter and the annual financial statements (having received input from the Finance & Performance Committee) to the Board. The Committee specifically monitors and reviews the effectiveness of controls for fraud, bribery, money laundering, whistleblowing and cyber security. Both internal and external auditors attend Audit & Risk Assurance Committee meetings.

*Finance & Performance Committee.* This Committee has responsibility for advising the Board on the financial, digital and IT strategies to support the Strategic Plan together with treasury management activities. It undertakes detailed scrutiny of the proposed income and expenditure budget and capital programme and their subsequent management, receiving updated forecasts throughout the year. It advises the Audit & Risk Assurance Committee on its scrutiny of the annual accounts, and the People & Place Committee on the affordability of proposals within its own remit to oversee. The Committee reviews the financial regulations of HSU. It oversees the effectiveness and efficiency of the estate within HSU.

*People & Place Committee.* This Committee provides strategic oversight for Equality, Diversity, Inclusion & Belonging in respect of staff, as well as promoting this more broadly. It also oversees the development and delivery of the Estates Strategy, enhancing opportunities for environmental sustainability and biodiversity across the campus, and regularly reviews staff pay and service conditions and considers HR policies as well as regular reports on HR performance. Within its overall remit to represent the working practices of staff and students, it also provides input into the oversight of the digital strategy.

*Remuneration Committee.* This Committee oversees the recruitment, performance and remuneration and considers the salary and conditions of service of the Vice-Chancellor and of other Executive team members.

*Governance & Nominations Committee.* This Committee keeps under review the composition of the Governing Body, informed by the skills matrix and the outcome of individual appraisals to address succession. It oversees the arrangements for the recruitment of Governors and recommends appointments and re-appointments to the Board as well as arrangements for Board effectiveness and individual appraisals. It reviews the induction arrangements for Board governors and receives reports on allegations of improper Governor conduct, recommending action to the Board. The Committee also maintains an oversight of the Honorary Awards process.

*Digital Sub-Committee.* This Committee monitors, oversees and provides guidance on the development and delivery of the Digital strategy to support the Academic, Clinical, Research and Administration requirements and aims of the University. The Committee reports to the Board.

*JPB (Joint Programme Board).* This Committee's members consisted of Governors and staff from HSU and UCO and the primary duty was to oversee the management and delivery of the merger programme. It acted as a delegated body on behalf of the Boards and each Partner.

The Chair of the Board and the Chairs of Committees have delegated authority to take urgent decisions within their committee's remit on the advice of the Vice-Chancellor and with the consent of the Chair of the Board of Governors. A Register of Chairs' decisions is maintained, and these are reported to the Board / Committee at its next meeting.

**Members of the Board**

The table below gives the members of the Board during 2023-24 together with their Board attendance and membership of Committees. The '% Attended' reflects the percentage of expected attendance for each individual, taking into account those meetings for which they were eligible and invited to attend, and start and finish dates within specific Committees.

**Board & Committee Attendance 2023/2024**

**Board & Committee Attendance 2023/2024**

Governors	Type of Governor	Start of term of office	End of term of office / date of resignation	% of all meetings attended*	Board	Audit & Risk Assurance	Finance & Performance	Governance & Nominations	People & Place	Remuneration	Digital	JPB*
<b>Total Number of Meetings held</b>					<b>4</b>	<b>4</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>11</b>
Monika Barnes	Independent	06.09.21	05.09.25	98%	4	N/A	1	2	3	2	N/A	10
Jeni Bremner	Independent	01.10.19	31.07.28	78%	2	N/A	1	1	N/A	N/A	N/A	N/A
Kim Frost	Independent	06.09.21	05.09.25	86%	4	4	N/A	1	N/A	1	N/A	4
Mike Gibson	Independent	01.11.19	31.10.24	100%	4	N/A	4	N/A	N/A	N/A	1	N/A
Mark Gurden	Independent	19.11.11	08.07.25	71%	3	N/A	N/A	N/A	2	N/A	N/A	N/A
Lesley Haig	VC	03.01.19	n/a	97%	4	N/A	4	N/A	N/A	N/A	N/A	10
Louie Jenkinson	Student	24.04.23	23.04.25	92%	2	N/A	3	2	3	N/A	N/A	N/A
Silja Tast	Student	24.04.23	23.04.24	83%	2	N/A	2	1	2	N/A	N/A	N/A
Greg Thornton	Independent	06.06.22	05.06.26	100%	4	4	N/A	N/A	N/A	1	N/A	N/A
Peter Vanderveide	Independent	06.09.21	05.09.25	78%	4	N/A	4	1	N/A	1	N/A	10
Keith Wilkes	Independent	01.10.19	30.09.27	100%	4	N/A	4	N/A	N/A	N/A	N/A	N/A
Joy Conway	Independent	10.10.22	09.10.26	88%	3	N/A	N/A	N/A	3	N/A	N/A	N/A
Barney Larkin	Independent	10.10.22	09.10.26	100%	4	N/A	4	N/A	N/A	N/A	1	N/A
Adrian Reyes-Hugh	Independent	19.10.23	18.10.27	100%	4	N/A	N/A	N/A	3	N/A	1	N/A
Andrew Broadfield	Independent	19.10.23	18.10.27	88%	3	3	N/A	N/A	N/A	N/A	N/A	N/A
Nick Palmer	Independent	19.10.23	18.10.27	100%	4	N/A	3	N/A	N/A	N/A	1	N/A
Daniel Heritage	Staff	13.05.24	12.05.28	75%	1	N/A	1	0	1	N/A	N/A	N/A
Issy Mitchell	Student	01.05.24	30.04.25	25%	1	N/A	0	0	0	N/A	N/A	N/A

Subsidiary: AECC Enterprises Ltd	Meetings held	2
Neil Andrews		0
Mark Gurden		2
Lesley Haig		1
Brenda van der Vossen		1

\* % attendance is based on the number of meetings which the individual was called to attend

JPB\* = Joint Programme Board

## Governance

The University is committed to exhibiting best practice in all aspects of corporate governance and has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance. The Board continues to review compliance with the up-to-date CUC Code of Governance and remains highly satisfied by the levels of compliance sustained and the improvements implemented during the year.

The University has also mapped its compliance against the Office for Students Registration Requirements and confirmed that these are met.

The Institution is audited both externally and internally by outside providers. The A&RA Committee decide on the areas of risk for internal audit based on the risk register and the internal audit cycle of review. Financial controls are included in every annual internal audit cycle.

The Executive report on Value for Money to the A&RA Committee at each meeting and provide an annual report. Widening access and participation are addressed through Access and Participation Plan reporting. Civic engagement is reported to the Board by regular updates from the Executive.

Commercial activities are conducted through a separate entity, AECC Enterprises Ltd, and have conformed to the requirements of the Companies Act.

There is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation. Risk Management and the risk register are reviewed by the A&RA Committee, and input is also received from all Committees relating to those risks that fall within their remit. An update of the areas of risk relevant to each Committee is presented routinely at meetings and the risk register is an agenda item for all Board meetings.

High-quality and robust data is produced and managed to meet all relevant legal and regulatory requirements. Reports are made to the A&RA Committee by the DVC or the Academic Registrar & University Secretary regularly on data returns. Financial management information is presented at every F&P Committee meeting with interim reporting between meetings, and to the Board.

## Board of Governors Responsibilities

Statement of disclosure to auditor:

So far as each person who was a Governor at the date of approving this report is aware, there is no relevant audit information of which the Groups' auditor is unaware. Additionally, the Governors individually have taken all the necessary steps that they ought to have taken as Governors and statutory directors in order to make themselves aware of all relevant audit information and to establish that Group's auditor is aware of that information.

## Governance Effectiveness Review

The Board of Governors has implemented recommendations and suggestions arising from the governance effectiveness review undertaken by The Halpin Partnership in 2021. The Governance & Nominations Committee has since reviewed the implementation of the recommendations and remains assured of the high standards of effectiveness in place. A further review is scheduled to take place in 2025.

## Skills of the Board and Recruitment

The governor skills matrices support the Board in its succession planning to maintain the skills mix required for an effective Board. In recruiting new governors, applications are sought in a variety of ways, including advertising in the press and within the Higher Education sector, with the National Associations, and publicising vacancies to staff and graduates of the University. Non-executive search organisations have also been used to help ensure that the Board is represented broadly in terms of skillset, background and geographical location.

The Governance & Nominations Committee oversees the recruitment of Independent Governors and selected candidates are invited for interview and a tour of the campus. The interview panel then makes its recommendation to the Governance & Nominations Committee who consider the proposal and recommend it to the Board as appropriate. Appointments are for four years and may be renewed for a second term of office and

under exceptional circumstances for a third term. The Board may appoint advisors or co-opted members to Committees as required when a skills gap is identified.

### **Training of Governors**

All new governors receive an induction.

On appointment new Governors are asked to sign a copy of the letter of appointment that requires them to conduct themselves in accordance with the Nolan Principles of Public Life and HSU's adopted policies and procedures. The information supplied to new governors includes the Code of Conduct for HSU Governors which provides guidance on the standards of behaviour and conduct expected by the University

Board development is provided in a variety of ways from briefings and seminars from Advance HE and the Office for Students, presentations by the Executive and attendance at seminars and breakfast meetings at Guild HE to briefings from audit companies, either for the whole Board or for individual governors.

All governors are eligible to attend Committee meetings of which they are not members and are encouraged to do so to broaden their awareness and understanding of University College activities.

### **Board of Governor Appraisals**

All governors undergo appraisal during their term of office in accordance with procedures approved by the Governance & Nominations Committee. These appraisals help to ensure that existing governors continue to have the skills needed on the Board; that learning and development opportunities are identified; and to ascertain where there may be skills gaps.

### **Register of Business Interests**

A register of interests is held by the Governance Administrator and details the interests of members of the Board; this is reviewed annually. In addition, at the start of all Board or committee meetings the attendees are asked to formally declare any particular interest in the items on the agenda and these are recorded in the minutes of that meeting.

### **Fit and Proper Person Declarations**

All governors and senior staff are required to make a fit and proper person declaration. These forms are reviewed and maintained by the Governance Administrator. Governors are required to confirm the continuation of their fit and proper status during the appraisal process.

### **Automatic Disqualification Declarations**

HSU must ensure that governors and senior officers of the Institution are not disqualified from acting as trustees and senior officers, and all appointed to these roles are required annually to make and maintain a declaration to this effect. A register of declarations is held by the Governance Administrator to the Board of Governors. Governors are required to confirm the continuation of their status during the appraisal process.

### **Risk Register**

The risk management policy and supporting procedures support the implementation and monitoring of risk management through the Corporate Risk Register and the departmental risk registers. The University Secretary is responsible for ensuring that risk management processes run efficiently and effectively at HSU.

The Board confirms that it has reviewed and considered the major risks to which HSU is exposed and that they are satisfied that systems have been established to manage those risks. The Board regularly reviews and determines its approach to risk appetite. It is ultimately responsible for the identification and management of risks that HSU may face. It is informed in this task through the work undertaken by the Audit & Risk Assurance Committee at each of its meetings and its evaluation by the Vice-Chancellor and senior managers. Revisions are made by the Board of Governors or the Audit & Risk Assurance Committee, if appropriate, to reflect discussions / developments reported at the meetings.



Identification, evaluation and management of risk is an important part of the annual planning cycle and review of strategy. A formal review of the effectiveness of this process is considered annually by the Board. The Board will then review only the more strategic/higher impact risks.

### **Academic Registrar & University Secretary**

The Board appoints the Academic Registrar & University Secretary, who also acts as the Company Secretary. The Chair, in liaison with the Vice-Chancellor, reviews their performance annually. Appointment and termination of the appointment ultimately rests with the Board. The University Secretary is responsible for coordinating legal advice to the Governing Body and advice on all matters of procedure and its responsibilities. The Chair of the Governing Body, the Vice-Chancellor and the University Secretary work closely together to expedite business. The University Secretary has a duty to advise the Chair in respect of any matters where conflict, potential or real, may occur between the Governing Body and the Vice-Chancellor.

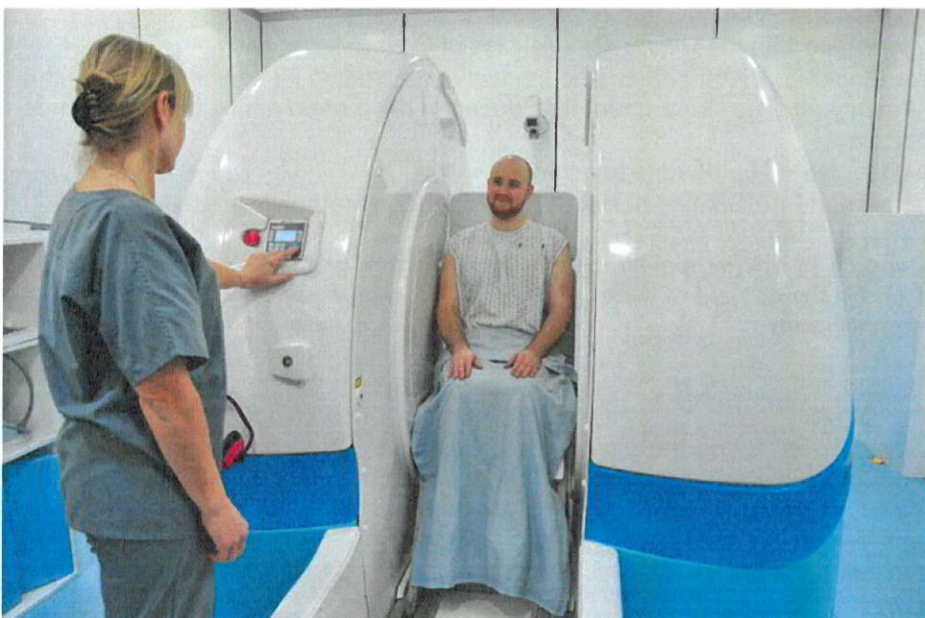
### **Academic Governance**

The management and academic committee structure is overseen by the Board of Governors through the Academic Board. The Academic Board is HSU's ultimate decision-making authority for all academic matters including oversight of the maintenance of standards and quality enhancement, and academic regulations, policies and procedures. The Academic Board discharges its responsibilities in part through standing committees and sub-committees, and it delegates authority to Assessment Boards for decisions on individual students in terms of their internal progression and award of qualifications. The Academic Board reports directly to the Board of Governors through the Executive.

### **Institutional Management and Structure**

Implementation of the strategy and policies approved by the Board is the executive responsibility of the Vice-Chancellor and the Executive team. The Vice-Chancellor is the Chief Executive of the University with powers delegated by the Board to lead and manage the Institution aligned to the University's strategic plan. The Vice-Chancellor is supported by the Executive team and a number of Management Groups:

- Access and Participation Steering Group
- Clinical Governance Group
- Health and Safety Group
- Radiation Protection Group
- Student Recruitment Steering Group
- Wider Management Group



*MRI clinical imaging suite*

## Statement of Internal Control

The University's system of internal controls and governance structures ensure regularity and propriety in the use of funds, including all public funds, via the following.

- The University is responsible for maintaining a sound system of internal control that safeguards the public and other funds and assets for which it has responsibility.
- The University maintains a comprehensive suite of Financial Regulations and Procedures, giving control over the totality of the University's resources and providing an appropriate financial regulatory framework which ensures that resources are used with due regard to propriety, regularity and value for money, in the context of the achievement of the University's strategic plan. Anyone with a contractual relationship with the University (including all employees and honorary staff) is required to abide by the Financial Regulations and Procedures.
- The University is required to adhere to key funder rules, in addition to the requirements of its own Financial Regulations and Procedures and operates various controls to do this.
- The University's Internal Auditors provide assurance to management and the Audit & Risk Assurance Committee. Internal Audit makes recommendations for improvement in key management processes. It particularly aims to ensure that key risks are being appropriately managed, including those in relation to the use of funds and value for money.

External audit is carried out in accordance with International Standards on Auditing (ISAs) UK, and provides a report to the Board of Governors which expresses the auditor's (Azets) opinion on whether the financial statements:

- Give a true and fair view of the state of the affairs of the University as of 31 July 2024 and of the Group and University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended;
- Have been properly prepared in accordance with UK accounting standards (including FRS102) and with the Statement of Recommended Practice (SORP): Accounting for Further & Higher Education and the Companies Act 2006
- Meet the requirements of Accounts Direction to higher education institutions for 2023/24 financial statements issued by the Office for Students

The external auditor's opinion on other matters prescribed by the Office for Students Accounts Direction states:

- In all material respects, funds from whatever source, administered by the Group and HSU for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Income has been applied in accordance with the University's Articles of Governance; and
- Funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions
- Grant and fee income are fully documented in the note to accounts
- University's expenditure on Access and Participation activities have not been materially misstated.

The internal auditors' (Bishop Fleming LLP) opinion below, based on the reviews undertaken, the follow up audits completed during the period, and in the context of materiality contained in their annual report for 2023-24 confirms the adequacy of HSU's internal controls:

### Head of Internal Audit Opinion 2023/24

We are satisfied that, for the areas reviewed during the year, Health Sciences University (previously AECC University College) has reasonable and effective risk management, control and governance processes in place. Whilst our work identified a number of potential enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective, there were no matters identified as part of our work during the year that, in our view, warrant reporting in the organisation's overall Annual Governance Statement.

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

The system of internal control is integrated with the strategic planning process and 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. To enable this there is:

- An approved risk appetite statement and risk tolerance framework
- An approved Risk Management Policy
- A Corporate Risk Register with departmental risk registers and a process to escalate and de-escalate risks to/from the Corporate Risk Register
- An Audit & Risk Assurance Committee, with appropriate terms of reference, which meets a minimum of three times a year providing oversight of the process of internal control. The Board receives reports from the Audit & Risk Assurance Committee at every meeting.
- An annual assurance report from the Internal Auditors of their independent opinion on the adequacy and effectiveness of specific systems of internal control together with recommendations for improvement
- The Internal Auditors' review of Risk Management
- Comment made by the External Auditor in its management letter and other reports
- The work of HSU managers with responsibility for the development and maintenance of the internal control framework, and by comments made by other external review agencies and stakeholders, e.g. QAA, OfS.
- An Integrated Rehabilitation Centre (IRC) Programme specific Risk Register was developed to manage key risks in the build and establishment of this new clinic and this was regularly considered by the IRC Programme Board and reported to Governors.

The Governors are satisfied that internal control processes have been in place throughout the year to 31 July 2024 and up to the date of signing these accounts.

#### **Statement of Board of Governors' Responsibilities in Respect of the Governors' Report and Financial Statements**

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have prepared the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the Group and parent University financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent University or to cease operations or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- the economical, efficient and effective management of the University resources and expenditure is secured.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



*Social Learning Space in Cavendish House*

## Independent Auditor's Report to the Board of Governors of Health Sciences University Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Health Sciences University (the 'Institution') and its subsidiary (together 'the Group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated and Institution Statement of Changes in Reserves, the Consolidated and Institution Statement of Financial Position, the Consolidated and Institution Statement of Cash Flows, and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and if the Institution's affairs as at 31 July 2024 and of the Group's income and expenditure, gains and losses and changes in reserves and cash flows for the year ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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 governors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Strategic report and the Statement of Governance and Internal Control, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated, 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

#### **Matters on which we are required to report by exception**

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

- the information given in the financial statements is inconsistent in any material respect with the Strategic report and the Statement of Governance and Internal Control; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of governors**

As explained more fully in their statement set out between pages 29 and 31, the Board of Governors (the members of which are the Directors of the Institution's company for the purposes of company law) is 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 governors 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 governors are responsible for assessing the institution'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 governors either intend to liquidate the Institution or to cease operations, or have no realistic alternative but to do so.

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

We have been appointed as auditor under section 144 of the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Extent to which the audit was considered 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.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

#### Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the Institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students

#### Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the Institution has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the College's expenditure on access and participation activities for the financial year disclosed in Note 22 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the Institution's grant and fee income, as disclosed in notes 2 and 3 to the financial statements has been materially misstated.

We have nothing to report in these respects

#### Use of our report

This report is made solely to the board of Governors in accordance with chapter 3 of part 16 of the Companies Act 2006 and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Institution's governors those matters we are required to state to them in an auditors' 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 Institution and the Institution's governors as a body, for our audit work, for this report, or for the opinions we have.

*Azets Audit Services*

**Jon Noble (Senior Statutory Auditor)  
for and on behalf of Azets Audit Services  
Chartered Accountants  
Statutory Auditor**

*19 December 2024*

Athenia House  
10-14 Andover Road  
Winchester  
Hampshire  
United Kingdom  
SO23 7BS

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2024

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£'000	£'000	£'000	£'000
<b>Income</b>					
Tuition fees and education contracts	1	11,442	11,442	11,057	11,057
Funding body grants	2	1,548	1,548	1,624	1,624
Other grant income	2	713	713	254	254
Other income	4	2,047	2,047	1,669	1,666
Investment income	5	306	306	184	184
Donations and endowments	6	38	38	3	4
<b>Total income</b>		<b>16,094</b>	<b>16,094</b>	<b>14,791</b>	<b>14,789</b>
<b>Expenditure</b>					
Staff costs	7	10,523	10,523	9,037	9,037
Other operating expenses		4,352	4,351	4,187	4,185
Depreciation and amortisation	11	801	801	731	731
Interest and other finance costs	8	45	45	78	78
Exceptional merger costs		629	629	-	-
<b>Total expenditure</b>	9	<b>16,350</b>	<b>16,349</b>	<b>14,033</b>	<b>14,031</b>
<b>(Deficit) / Surplus before tax</b>		<b>(256)</b>	<b>(255)</b>	<b>758</b>	<b>758</b>
Taxation	10	-	-	-	-
<b>(Deficit) / Surplus for the year</b>		<b>(256)</b>	<b>(255)</b>	<b>758</b>	<b>758</b>
<b>Other comprehensive income</b>					
Actuarial gain in respect of pension schemes	17	143	143	828	828
<b>Total comprehensive (loss) / gain for the year</b>		<b>(113)</b>	<b>(112)</b>	<b>1,586</b>	<b>1,586</b>
Represented by:					
Restricted comprehensive (loss) for the year		(12)	(12)	(13)	(13)
Unrestricted comprehensive (loss) / gain for the year		(101)	(100)	1,599	1,599
		<b>(113)</b>	<b>(112)</b>	<b>1,586</b>	<b>1,586</b>
<b>Surplus / (loss) for the year attributable to:</b>					
Institution		(112)	(112)	1,586	1,586
Wholly owned subsidiary		(1)	-	-	-

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 49 to 61 form part of these financial statements.



Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2024

**Consolidated**

	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
<b>Balance at 1 August 2022</b>	<b>254</b>	<b>10,957</b>	<b>11,211</b>
Surplus for the year	-	758	758
Other comprehensive gain	-	828	828
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive gain / (loss) for the year</b>	<b>(13)</b>	<b>1,599</b>	<b>1,586</b>
<b>Balance at 31 July 2023</b>	<b>241</b>	<b>12,556</b>	<b>12,797</b>
<b>Balance at 1 August 2023</b>	<b>241</b>	<b>12,556</b>	<b>12,797</b>
Surplus for the year	-	(256)	(256)
Other comprehensive gain	-	143	143
Release of restricted funds spent in year	(12)	12	-
<b>Total comprehensive gain / (loss) for the year</b>	<b>(12)</b>	<b>(101)</b>	<b>(113)</b>
<b>Balance at 31 July 2024</b>	<b>229</b>	<b>12,455</b>	<b>12,684</b>

**Institution**

	Income and expenditure reserve		
	Restricted £'000	Unrestricted £'000	Total £'000
<b>Balance at 1 August 2022</b>	<b>254</b>	<b>10,940</b>	<b>11,194</b>
Surplus for the year	-	758	758
Other comprehensive gain	-	828	828
Release of restricted funds spent in year	(13)	13	-
<b>Total comprehensive (loss) / gain for the year</b>	<b>(13)</b>	<b>1,599</b>	<b>1,586</b>
<b>Balance at 31 July 2023</b>	<b>241</b>	<b>12,539</b>	<b>12,780</b>
<b>Balance at 1 August 2023</b>	<b>241</b>	<b>12,539</b>	<b>12,780</b>
Surplus / (loss) for the year	-	(255)	(255)
Other comprehensive gain	-	143	143
Release of restricted funds spent in year	(12)	12	-
<b>Total comprehensive (loss) / gain for the year</b>	<b>(12)</b>	<b>(100)</b>	<b>(112)</b>
<b>Balance at 31 July 2024</b>	<b>229</b>	<b>12,439</b>	<b>12,668</b>

**Consolidated and University Statement of Financial Position**

As at Year Ended 31 July 2024

	Notes	As at 31 July 2024		As at 31 July 2023	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>Non-current assets</b>					
Tangible assets	11	11,107	11,107	11,017	11,017
		<b>11,107</b>	<b>11,107</b>	<b>11,017</b>	<b>11,017</b>
<b>Current assets</b>					
Stock	12	16	16	13	13
Trade and other receivables	13	2,601	2,601	921	921
Current asset investments	14	1,000	1,000	1,000	1,000
Cash and cash equivalents	14	5,106	5,088	6,269	6,249
		<b>8,723</b>	<b>8,705</b>	<b>8,203</b>	<b>8,183</b>
Less Creditors: amounts falling due within one year	15	(4,152)	(4,150)	(3,266)	(3,263)
<b>Net current assets</b>		<b>4,571</b>	<b>4,555</b>	<b>4,937</b>	<b>4,920</b>
		<b>15,678</b>	<b>15,662</b>	<b>15,954</b>	<b>15,937</b>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after more than one year	16	(2,994)	(2,994)	(3,157)	(3,157)
<b>Provisions</b>					
Pension provisions	17	-	-	-	-
		<b>12,684</b>	<b>12,668</b>	<b>12,797</b>	<b>12,780</b>
<b>Total Net assets</b>					
<b>Restricted Reserves</b>					
Income and expenditure reserve - restricted reserve	18	229	229	241	241
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		12,455	12,439	12,556	12,539
		<b>12,684</b>	<b>12,668</b>	<b>12,797</b>	<b>12,780</b>
<b>Total Reserves</b>					

The accompanying notes and policies on pages 42 to 62 form part of these financial statements, which were approved by the Governing Body on 12 December 2024 and signed on its behalf on that date by:

*Monika Barnes*

**Monika Barnes**  
Acting Chair of the Board of Governors

*L Haig*

**Prof. Lesley Haig**  
Vice-Chancellor

## Consolidated and University Statement of Cash Flows

Year Ended 31 July 2024	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>Cash flow from operating activities</b>					
Surplus for the year after tax		(113)	(112)	1,586	1,586
<b>Adjustment for non-cash items</b>					
Depreciation	11	801	801	731	731
(Increase) in stock	12	(3)	(3)	(3)	(3)
Decrease / (Increase) in debtors	13	(480)	(480)	(226)	(227)
(Decrease) / increase in creditors due within 1 year	15	886	887	478	477
Increase / (decrease) in creditors due in more than 1 year	16	(163)	(163)	(228)	(228)
Difference between pensions charges and cash contributions		-	-	(828)	(828)
<b>Adjustment for investing or financing activities</b>					
Investment income	5	(306)	(306)	(184)	(184)
Profit on disposal of assets		(10)	(10)	-	-
Interest and other finance costs	8	45	45	78	78
Capital grant income	2	(50)	(50)	(100)	(100)
<b>Net cash inflow from operating activities</b>		<b>607</b>	<b>609</b>	<b>1,304</b>	<b>1,302</b>
<b>Cash flows from investing activities</b>					
Capital grants receipts		50	50	100	100
Investment income		306	306	184	184
Proceeds from disposal of assets		10	10	-	-
Short term loan		(1,200)	(1,200)		
Payments made to acquire tangible assets	11	(891)	(891)	(1,554)	(1,554)
		<b>(1,725)</b>	<b>(1,725)</b>	<b>(1,270)</b>	<b>(1,270)</b>
<b>Cash flows from financing activities</b>					
Interest and other finance costs		(45)	(45)	(78)	(78)
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(1,163)</b>	<b>(1,161)</b>	<b>(44)</b>	<b>(46)</b>
Cash and cash equivalents at beginning of the year	14	7,269	7,249	7,313	7,295
Cash and cash equivalents at end of the year	14	<b>6,106</b>	<b>6,088</b>	7,269	7,249

## Statement of Accounting Policies

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

### 1. *General information*

Health Sciences University (the Institution) is a company limited by guarantee registered in England and Wales. It is also an exempt charity and as a higher education provider with the Office for Students. Health Sciences University was granted Exempt Charity status on 15 June 2023.

The address of the registered office is: Health Sciences University, Parkwood Campus, Parkwood Rd, Bournemouth, BH5 2DF

### 2. *Statement of Compliance*

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Accounts Direction issued by the Office for Students (OfS), the Terms and Conditions of Funding for higher education institutions issued by the Office for Students and the Terms and Conditions of Research England Grant.

The Institution is a public benefit entity and has therefore applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

### 3. *Basis of preparation*

The Consolidated and Institution financial statements have been prepared under the historical cost convention.

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the Institution, its cash flows and liquidity position. The Board of Governors has a reasonable expectation that the Institution has adequate resources to continue in operational existence for the foreseeable future. Therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £1,000.

### 4. *Going Concern*

The Board of Governors sets guidelines in relation to the level of cash reserves and surplus that they assessed to be acceptable to ensure the going concern status of the organisation and budgets for 2024-25 and medium-term forecasts were approved which meet those criteria. The Finance & Performance Committee is tasked by the Board of Governors with regularly reviewing the financial performance of the organisation to ensure that these guidelines are being followed and ensuring that contingency actions are put into place if issues arise which might threaten their achievement.

Prior to recommending these Financial Statements to the Board for approval, the Finance & Performance Committee made a thorough review of various scenarios and their potential adverse impact on the financial stability of the Group. These included the assessment of possible reductions in new student enrolments, clinical activity not materialising and the impact on costs through inflation and additional pay awards. Although it was recognised that these scenarios would impact adversely on financial performance, the current level of reserves of the organisation meant that it could still continue to operate as a going concern.

Consequently, the Board of Governors is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on a going concern basis.

**5. Basis of consolidation**

The Consolidated financial statements include the financial statements of the Institution and its subsidiary, AECC Enterprises Ltd. (Company No: 03736325) for the year to 31 July 2024. Health Sciences University has provided a financial guarantee over the liabilities of the subsidiary company which has allowed it to be exempt from independent audit in accordance with section 479C of the Companies Act 2006.

Intra-group transactions are eliminated on consolidation.

The Consolidated financial statements do not include the Students' Union as the Institution does not exert control or dominant influence over policy decisions.

**6. Income recognition**

Income from the sale of goods or services, for example, Clinic Income, MRI and imaging income, is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure 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, income receivable is shown net of the discount.

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which the students are studying, or where relevant, when performance conditions have been met.

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

**Grants**

- a. Revenue grants, including Office for Students block grants and research grants, are recognised in income over the periods in which the Institution recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate in the Statement of Financial Position.
- b. Capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Institution is entitled to the funds, subject to any performance related conditions being met.

**Donations and endowments**

Donations with donor-imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point income is released to general reserves through a reserve transfer.

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

Investment income and appreciation of endowments 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 endowment fund.

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

- a. Restricted donations – the donor has specified that the donation must be used for a particular objective
- b. Unrestricted donations – the donor has not specified what the donation must be used for

## 7. *Accounting for retirement benefits*

The three pension schemes for the Institution's staff are the Teachers' Pension Scheme (TPS), the Dorset Local Government Pension Scheme (LGPS), which are defined benefit schemes and a Scottish Widows stakeholder pension scheme which is a defined contribution plan.

### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the Institution pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **Defined benefit schemes**

A defined benefit scheme is a post-employment benefit plan rather than a defined contribution plan. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. Under defined benefit plans, the Institution's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne in substance by the Institution.

The Teachers' Pension Scheme (TPS) is a defined benefit scheme whereby the assets of the TPS are held in a separate Trustee-administered fund. Because of the nature of the scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University 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 this scheme on a consistent and reasonable basis and therefore as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the schemes in respect of the accounting period.

The Dorset Local Government Pension Scheme (LGPS) is a defined benefit scheme whereby the University is able to identify its share of the assets and liabilities. The liability recognised in the Statement of Financial Position in respect of this defined benefit plan is the lower of the fair value of the plan assets at the reporting date less the present value of the defined benefit obligation at the reporting date and the net present value of the estimated future contributions to the scheme. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. The cost of the defined benefit plan is recognised in operating expenditure in the Statement of Comprehensive Income as staff costs. It comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of Comprehensive Income as 'interest and other finance costs'.

Further detail of the specific defined benefit pension schemes is provided in note 17 to the accounts.

## 8. *Employment benefits*

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

Termination benefits are amounts payable as a result of a decision by the Institution to terminate the employment of employees before the normal retirement date or an employee's decision to accept voluntary redundancy and are charged on an accruals basis to the Consolidated Statement of Comprehensive Income and Expenditure.

**9. 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 lease term.

**10. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Surplus or Deficit for the year.

**11. Property, plant and equipment**

**Land and buildings**

Land and buildings are capitalised at cost on initial recognition. After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

Freehold buildings	50 years
Refurbishments and repairs	20 years

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

**Equipment**

Equipment, including computers and software costing less than the Institution's de minimis threshold for capitalisation of fixed assets (£1,000) is recognised as expenditure. All other equipment is capitalised.

Capital equipment is stated at cost and depreciated over its expected useful life as follows:

Office equipment, furniture and fittings	4 to 10 years
IT equipment	4 to 7 years
Medical and teaching equipment	4 to 12 years
Plant and machinery	4 to 12 years

Where an item of equipment comprises two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to the subsequent replacement of components is capitalised as incurred.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

**Impairment**

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

**12. Investments**

Investment in the subsidiary is carried at cost less impairment in the Institution's separate financial statements.

**13. Stock**

Stock is held at the lower of cost and net realisable value.

**14. Cash and cash equivalents**

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

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

**15. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

A contingent asset arises where an event has taken place that gives the Institution a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

**16. Taxation**

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

The Institution is a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010. It is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The Institution receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Institution's subsidiary company is subject to Corporation Tax and VAT in the same way as any other commercial organisation.

**17. Reserves**

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

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

**18. Critical accounting estimates and judgements**

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.



These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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

Retirement benefit obligations - The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Details of the retirement benefit obligations is provided at note 17.

Notes to the Accounts

	Year Ended 31 July 2024		Year Ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
<b>1 Tuition fees and education contracts</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Full-time home fee status students	7,319	7,319	7,126	7,126
Full-time international students	3,121	3,121	3,216	3,216
Part-time students	975	975	715	715
Apprenticeships	27	27	-	-
	<b>11,442</b>	<b>11,442</b>	<b>11,057</b>	<b>11,057</b>
<b>2 Grant income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Funding body grants</b>				
Office for Students	1,451	1,451	1,208	1,208
Research England	467	467	316	316
Capital grant	50	50	100	100
	<b>1,968</b>	<b>1,968</b>	<b>1,624</b>	<b>1,624</b>
<b>Other grant income</b>				
Health Education England (HEE)	5	5	24	24
Release of deferred capital grants	163	163	146	146
Research grants and contracts	125	125	84	84
	<b>293</b>	<b>293</b>	<b>254</b>	<b>254</b>
	<b>2,261</b>	<b>2,261</b>	<b>1,878</b>	<b>1,878</b>
<b>3 Sources of grant and fee income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Office for Students (OfS) grant income	1,566	1,566	1,369	1,369
Grants from other bodies	322	322	173	173
Fee income for research awards	583	583	400	400
Fee income from non-qualifying courses	297	297	307	307
Fee income for taught awards	10,908	10,908	10,686	10,686
Apprenticeship	27	27	-	-
	<b>13,703</b>	<b>13,703</b>	<b>12,935</b>	<b>12,935</b>
<b>4 Other income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Clinic income	1,225	1,225	1,021	1,021
MRI income	548	548	461	461
Catering income	161	161	146	146
Royalties	-	-	3	-
Profit on disposal of assets	-	-	-	-
Other income	113	113	38	38
	<b>2,047</b>	<b>2,047</b>	<b>1,669</b>	<b>1,666</b>

Notes to the Accounts (continued)

<b>5 Investment income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Interest receivable	306	306	184	184
	<b>306</b>	<b>306</b>	<b>184</b>	<b>184</b>
<b>6 Donations and endowments</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted donations	38	38	3	3
Donation from subsidiary company	-	-	-	1
	<b>38</b>	<b>38</b>	<b>3</b>	<b>4</b>
<b>7 Staff costs</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Salaries	8,301	8,301	7,072	7,072
Social security costs	782	782	672	672
Pension costs	1,440	1,440	1,293	1,293
	<b>10,523</b>	<b>10,523</b>	<b>9,037</b>	<b>9,037</b>

A more detailed breakdown of pension costs is shown in note 17.

**Total remuneration of the head of the Institution**

	<b>Year ended 31 July 2024 £'000s</b>	<b>Year ended 31 July 2023 £'000s</b>
Basic salary	185	185
Pension contributions and payments	25	24
Private Medical Insurance	3	2
	<b>213</b>	<b>211</b>

Health Sciences University operates under the CUC HE Code of Governance and endeavours to make fair, appropriate and justifiable levels of remuneration. There is a common process for all levels of staff regarding appraisal and remuneration. Oversight of the head of Institution's remuneration is within the terms of reference of the People & Place Committee, which is independent and competent, and which makes recommendations to the Board of Governors.

The Office for Students (OfS) Regulatory advice 9: Accounts Direction, published on 25 October 2019 requires that the relationship between the head of provider's remuneration and that for all other employees employed expressed as a pay multiple must include all employees who are required to be included in real-time reporting to HMRC. This comparator therefore includes all casual employees, predominantly students, and also people who are deemed employees under the Intermediaries Legislation (IR35). The median salary on this basis is £39,903 (2023: £38,500) and the median gross remuneration is £42,375 (2023: £39,000).

i. The head of the Institution's basic salary was 4.64 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the payments made to all workers included in real-time reporting to HMRC (2023: 4.81 times this median pay).

ii. The head of the Institution's total remuneration was 4.89 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of all workers included in real-time reporting to HMRC (2023: 5.31 times this median total remuneration).

Calculating the median pay based upon all workers included in real-time HMRC information might not present readers of these financial statements with a representative view of the Vice-Chancellor's pay

ratio. This is because the University has employed a large number of student workers who each work few hours and are paid at the National Minimum Wage. Using an additional, unaudited, calculation of median pay based upon permanent, full-time and part-time, employees, the median salary on this basis is £40,510 (2023: £39,000) and the median gross remuneration is £45,371 (2022: £43,680).

iii. The head of the Institution's basic salary was 4.57 times the median pay of staff where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its permanent employees (2023: 4.74 times this median pay of staff)

iv. The head of the Institution's total remuneration was 4.57 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its permanent employees (2023: 4.74 times this median total remuneration of staff).

The Vice-Chancellor's remuneration is recommended by the Remuneration Committee to the Board, with increments being considered and agreed on an annual basis. Final approval of the Vice-Chancellor's remuneration lies with the Board of Governors. In common with all staff, the Vice-Chancellor is eligible for a cost of living / merit award; any increase is based on the outcome of the Vice-Chancellor's annual appraisal, with the percentage increase being the same as that awarded to staff. People & Place Committee also has the power to recommend the award of an additional increase in the Vice-Chancellor's base pay. There is no annual bonus scheme, but the Remuneration Committee does have the power to award bonuses in exceptional cases. During the year ended 31 July 2024 no bonuses were awarded

The Vice-Chancellor's appraisal is undertaken by the Chair of the Board as her line manager. Key inputs to the appraisal include:

- feedback from Chair of the Board, other Governors and senior staff
- the delivery of the detailed operational plan to achieve the agreed strategy
- performance on key priorities identified in the previous appraisal and through the year if appropriate
- resolution of any relevant issues arising during the year

The outcome of the appraisal is reported to the Remuneration Committee and the committee then makes its recommendations to the Board.

In assessing the level of the Vice-Chancellor's remuneration, the Remuneration Committee undertook a thorough review of Vice-Chancellor remuneration with assessments and recommendations from external benchmarking across relevant institutions in the sector. The Remuneration Committee thereafter made a recommendation to the Board to bring the Vice-Chancellor's pay in line with others in the sector.

There is no formal annual bonus scheme, but the Remuneration Committee does have the power to award bonuses in exceptional cases. During the year ended 31 July 2024 a bonus of £400 was paid to all permanent members of staff based on the financial performance of the Institution during the year ended 31 July 2023.

The number of staff with a basic salary of over £100,000 per annum has been included below. The Vice-Chancellor, Deputy Vice Chancellor and Chief Operating Officer are the only employees with a basic salary greater than £100,000.

	Year Ended 31 July 2024		Year Ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
<b>Basic salary per annum</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
£105,000 - £109,999	1	1	-	-
£185,000 - £189,999	1	1	1	1

**Average staff numbers by major category (full time equivalent of permanent employees):**

	2024	2023
	FTE	FTE
Academic	51.3	47.9
Clinical	36.7	34.1
Executive	2.3	2.1
Manual Workers	11.1	9.3
Professional Services	70.5	60.3
Research	1.8	0.3
<b>Total number of staff</b>	<b>173.7</b>	<b>154.0</b>

**Average staff numbers by major category (headcount of all workers):**

	2024	2023
	No.	No.
Academic	68	53
Clinical	57	49
Executive	2	2
Manual Workers	12	12
Professional Services	79	73
Research	2	1
	<b>220</b>	<b>190</b>
Casual / Bank Staff (including student workers)	84	83
Workers who are deemed employees under intermediaries' legislation (IR35) off-payroll rules	3	3
<b>Total number of staff</b>	<b>307</b>	<b>276</b>

**Compensation for loss of office**

During the year redundancy and compensation for loss of office payments totalling £4k were made to 1 employee (2023: £3k to 1 employee). No payments were made for additional pension contributions (2023: £nil)

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs include compensation paid to key management personnel. Key management personnel are defined as the Executive Team members.

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
<b>Key management personnel</b>	<b>371</b>	<b>331</b>

Board of Governors

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

Other than the Vice-Chancellor and the Staff Governor, no governor has received any remuneration / waived payments from the University during the year (2023 - nil). The total expenses paid to or on behalf of 7 Board members were £3,675 (2022: £6,243 to or on behalf of 9 Board members). This represents travel and subsistence expenses incurred in attending Board of Governors, Committee meetings and Charity events in their official capacity.

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
<b>8 Interest and other finance costs</b>					
Bank charges		43	43	50	50
Currency Exchange differences		2	2	5	5
Net interest on the defined pension liability	17	-	-	23	23
		<b>45</b>	<b>45</b>	<b>78</b>	<b>78</b>
<b>9 Analysis of total expenditure by activity</b>		£'000	£'000	£'000	£'000
Academic and related expenditure		4,064	4,064	3,341	3,341
Academic Support Services		2,239	2,239	1,666	1,666
Chiropractic Clinical services		1,611	1,611	1,341	1,341
MRI and Imaging		776	776	657	657
Administration and central services		4,687	4,687	4,471	4,471
Premises		2,119	2,119	2,029	2,029
Residences, catering and conferences		269	269	185	185
Research grants and contracts		584	584	341	341
Other expenses		1	-	2	-
		<b>16,350</b>	<b>16,349</b>	<b>14,033</b>	<b>14,031</b>
Other operating expenses include:					
Operating Leases - Equipment & Vehicles	20	7	7	7	7
External auditor's remuneration in respect of audit services		32	32	31	31
All other assurance services		4	4	2	2
		<b>36</b>	<b>36</b>	<b>33</b>	<b>33</b>

## 10 Taxation

The University is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation and Chargeable Gains Act 1992 to the extent that these gains are applied to its charitable objects.

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
<b>Recognised in the statement of comprehensive income</b>				
Current tax expense	-	-	-	-

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	£'000	£'000	£'000	£'000
<b>(Loss) / Surplus before taxation</b>	<b>(256)</b>	<b>(255)</b>	758	758
UK corporation tax at 25% (2023: 19%)	64	64	(144)	(144)
Effect of: Surplus falling within charitable exemption	(69)	(69)	144	144
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	-	-

## 11 Tangible Assets

Tangible assets comprise:	As at 31 July 2024		As at 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Property, plant and equipment	11,107	11,107	11,017	11,017
	<b>11,107</b>	<b>11,107</b>	11,017	11,017
<b>Consolidated and Institution</b>	<b>Freehold Land &amp; Buildings</b>	<b>Plant and Machinery</b>	<b>Fixtures, Fittings &amp; Equipment</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 August 2023	10,998	3,951	3,014	17,963
Additions	538	0	353	891
Disposals	-	-	(15)	(15)
<b>At 31 July 2024</b>	<b>11,536</b>	<b>3,951</b>	<b>3,352</b>	<b>18,839</b>
<b>Depreciation</b>				
At 1 August 2023	2,382	2,347	2,217	6,946
Charge for the year	338	306	157	801
Disposals	-	-	(15)	(15)
<b>At 31 July 2024</b>	<b>2,720</b>	<b>2,653</b>	<b>2,359</b>	<b>7,732</b>
<b>Net Book Value</b>				
<b>At 31 July 2024</b>	<b>8,816</b>	<b>1,298</b>	<b>993</b>	<b>11,107</b>
At 31 July 2023	8,616	1,604	797	11,017

12	Stock	As at 31 July 2024		As at 31 July 2023	
		Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
	Catering supplies	16	16	13	13
		16	16	13	13

13	Trade and other receivables	£'000	£'000	£'000	£'000
	Amounts falling due within one year:				
	Trade receivables	889	889	455	455
	Short term Loan	1,200	1,200	-	-
	Prepayments and accrued income	512	512	466	466
		2,601	2,601	921	921

During the year ended 31 July 2024 Health Sciences University made a short-term commercial loan to University College of Osteopathy as part of a takeover agreement, whereby HSU acquired all the assets, liabilities and activities of UCO with effect from 1 August 2024.

**14 Cash and cash equivalents**

	1 August 2023 £'000	Cash Flow £'000	31 July 2024 £'000
Consolidated			
Current asset investments	1,000	-	1,000
Cash and cash equivalents	6,269	(1,163)	5,106
	7,269	(1,163)	6,106

	1 August 2023 £'000	Cash Flows £'000	31 July 2024 £'000
Institution			
Current asset investments	1,000	-	1,000
Cash and cash equivalents	6,249	(1,161)	5,088
	7,249	(1,161)	6,088

**15 Creditors: amounts falling due within one year**

	As at 31 July 2024		As at 31 July 2023	
	Consolidated £'000	Institution £'000	Consolidated £'000	Institution £'000
Trade creditors	812	810	805	802
Social security and other taxation	196	196	188	188
Other creditors	154	154	120	120
Accruals	1,227	1,227	1,004	1,004
Deferred income	1,763	1,763	1,149	1,149
	4,152	4,150	3,266	3,263



Deferred Income	Consolidated	Institution	Consolidated	Institution
	£'000	£'000	£'000	£'000
Deferred Capital Grants	163	163	163	163
Deferred Research Grants	108	108	215	215
Deferred Tuition Fees	890	890	416	416
Other education income deferred	501	501	278	278
Clinical income deferred	46	46	77	77
Other deferred Income	55	55	0	0
	<b>1,763</b>	<b>1,763</b>	<b>1,149</b>	<b>1,149</b>

The deferred capital grants relate to income received from Dorset Local Enterprise Partnership (LEP) in respect of the construction of the Integrated Rehabilitation Centre, plus Health Education England (HEE) and Office for Students (OfS) in respect of various items of medical and teaching equipment. These deferred capital grants are being released in line with the depreciation of the underlying assets.

The deferred tuition fees relate to courses with a January start date which straddle two financial years

**16 Creditors: amounts falling due after more than one year**

Consolidated and Institution	Deferred Capital Grants £'000	Total Creditors £'000
As at 1 August 2023	3,157	3,157
Release of Grants	(163)	(163)
<b>As at 31 July 2024</b>	<b>2,994</b>	<b>2,994</b>

**17 Pension Schemes**

The University participates in three pension schemes – The Teachers' Pension Scheme and The Local Government Superannuation Scheme, which are both defined benefit schemes, and the Scottish Widows Scheme, which is a defined contribution scheme.

The University has capped its employer's contributions to these pension schemes at an effective rate of 12% with effect from 1st April 2022. This is implemented by contractual arrangements with employees who take a reduction in salary when institution contribution rates to the defined benefit schemes exceed this percentage. The total monthly contributions outstanding at the year end was £149k (2023: £122k).

The total pension cost for the year was payable as follows (this is shown at the employers' full contribution rate and does not include the mitigating salary reduction arrangements mentioned above):

	2024 £'000	2023 £'000
Local Government Pension Scheme (LGPS)	143	181
Teachers' Pension Scheme (TPS)	763	647
Scottish Widows Scheme	534	465
	<b>1,440</b>	<b>1,293</b>

**Local Government Pension Scheme (LGPS)**

The LGPS is a defined benefit scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings.

The administering authority for the Fund is Dorset County Council (DCC) whose Pension Fund Committee oversees the management of the Fund whilst the day to day fund administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund’s professional advisers.

As administering authority to the Fund, DCC, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Investment Strategy Statement. These are amended when appropriate based on the Fund’s performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The most recent actuarial valuation of the Fund was carried out as at 31 March 2022 and set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

The agreed contributions rates for future years range from 5.5% to 12.5% for employees depending on their salary and are currently set at 23% for employers (increased from 22% from 1 April 2022).

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2022, using financial assumptions that comply with FRS 102:

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
Rate of increase in salaries	<b>3.90%</b>	3.85%
Rate of increase in pensions	<b>3.20%</b>	2.85%
Discount rate for scheme liabilities	<b>5.05%</b>	5.15%
Inflation assumption (CPI)	<b>2.90%</b>	2.85%

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

	<b>At 31 July 2024</b>	<b>At 31 July 2023</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	21.8
Females	<b>23.9</b>	23.9
<i>Retiring in 20 years</i>		
Males	<b>23.1</b>	23.1
Females	<b>25.3</b>	25.3

17 Pension schemes (continued)

The University's share of the assets and liabilities in the scheme was:

	At 31 July 2024	At 31 July 2023
	£'000	£'000
Equities	3,784	3,319
Cash	96	78
Other Bonds	392	348
Diversified Growth Fund	394	360
Property	462	462
Infrastructure	446	409
Multi Asset Credit	420	369
Total market value of assets	<u>5,994</u>	<u>5,345</u>
Impact of asset ceiling	(554)	(324)
Present value of defined benefit obligations	<u>(5,440)</u>	<u>(5,021)</u>
<b>Surplus / (Deficit) in the scheme</b>	<u>-</u>	<u>-</u>

Amounts recognised in the statement of comprehensive income and expenditure are:

	At 31 July 2024	At 31 July 2023
	£'000	£000
Service cost	143	181
Net interest on the defined liability	(3)	23
Administration expenses	3	3
<b>Total charge</b>	<u>143</u>	<u>207</u>

Reconciliation of opening and closing balances of the fair value of Fund assets:

	As at 31 July 2024	As at 31 July 2023
	£'000	£'000
Opening fair value of Fund assets	5,345	5,092
Interest on assets	283	177
Return on assets less interest	293	(81)
Other actuarial losses	-	(93)
Administration expenses	(3)	(3)
Contributions by employer including unfunded	377	343
Contributions by Scheme participants and other employers	49	40
Estimated benefits paid plus unfunded net of transfers in	<u>(128)</u>	<u>(130)</u>
<b>Closing fair value of Fund assets</b>	<u>6,216</u>	<u>5,345</u>
Impact of asset ceiling	(776)	(324)
<b>Fund assets</b>	<u>5,440</u>	<u>5,021</u>

17 Pension schemes (continued)

Reconciliation of opening and closing balances of the defined benefit obligation:

	<b>As at 31 July 2024 £'000</b>	As at 31 July 2023 £'000
Opening defined benefit obligation	<b>5,021</b>	5,920
Current service cost	<b>143</b>	181
Interest cost	<b>257</b>	200
Change in financial assumptions	<b>135</b>	(1,742)
Change in demographic assumptions	<b>(12)</b>	(94)
Experience loss on defined benefit obligation	<b>(25)</b>	646
Estimated benefits paid net of transfers in	<b>(128)</b>	(130)
Contributions by Scheme participants and other employers	<b>49</b>	40
<b>Closing defined benefit obligation</b>	<b>5,440</b>	5,021

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

Valuation of the Teachers' Pensions Scheme

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation)

As a result of the valuation, new employer contribution rates rose to 28.68% from April 2024 (compared to 23.68% during 2018/9).

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

18 Restricted Reserves

<b>Consolidated and Institution</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>As at 1 August</b>	<b>241</b>	<b>254</b>
New grants and donations	-	-
Expenditure	(12)	(13)
<b>Total restricted comprehensive income for the year</b>	<b>(12)</b>	<b>(13)</b>
<b>As at 31 July</b>	<b>229</b>	<b>241</b>

<b>Analysis of other restricted reserves by purpose / donor</b>	<b>£'000</b>	<b>£'000</b>
Rehabilitation Grant	14	14
Clinic Fundraising (released to cover depreciation charge)	197	203
MRI Fundraising (released to cover depreciation charge)	10	16
Other Funds	8	8
	<b>229</b>	<b>241</b>

19 Financial instruments

	<b>As at 31 July 2024</b>		<b>As at 31 July 2023</b>	
	<b>Consolidated</b>	<b>Institution</b>	<b>Consolidated</b>	<b>Institution</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Financial assets</b>				
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Cash Asset Investments	1,000	1,000	1,000	1,000
Cash and cash equivalents	6,105	6,088	7,269	7,249
Trade receivables	889	889	455	455
	<b>6,994</b>	<b>6,977</b>	<b>7,724</b>	<b>7,704</b>
<b>Financial liabilities</b>				
<i>Financial liabilities at amortised cost</i>				
Trade creditors	812	810	805	802
Other creditors	154	154	120	120
	<b>966</b>	<b>964</b>	<b>925</b>	<b>922</b>

The financial assets are held as cash and cash equivalents, spread across accounts with four reputable organisations and are highly liquid. This enables the University to respond to opportunities as they arise. The principal risk relating to the financial assets arises from low interest rates, whereby their value does not keep pace with inflation and so diminishes in real terms.

20 Lease obligations

	<b>Year Ended 31 July 2024</b>		<b>Year Ended 31</b>
	<b>Plant and</b>	<b>Total</b>	<b>July 2023</b>
	<b>Machinery</b>	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Total rentals payable under operating leases:</b>			
<b>Consolidated and Institution</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Payable during the year</b>	<b>9</b>	<b>9</b>	<b>7</b>

20 Lease obligations (continued)	Plant and Machinery £'000	Total £'000	Total £'000
<b>Consolidated and Institution</b>			
<b>Future minimum lease payments due:</b>			
Not later than 1 year	14	14	1
Later than 1 year and not later than 5 years	58	58	-
Later than 5 years	-	-	-
<b>Total lease payments due</b>	<b>72</b>	<b>72</b>	<b>1</b>

## 21 Related party transactions

Owing to the nature of the Health Sciences University's operations and the composition of the Board of Governors being partly drawn from local public and private sector organisations, it is likely that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisation in which a member of the Board of Governors may have an interest, including those identified below, are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

No material transactions occurred during the year and there were no outstanding balances at the year end.

## 22 Access and Participation

	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
Access Investment	88	82
Financial Support	101	109
Disability Support (excluding expenditure included above)	11	24
Research and Evaluation	3	3
	<b>203</b>	<b>218</b>

Access investment includes all expenditure in the financial year on activities and measures that support the ambitions set out in our Access and Participation plan, where these relate to higher education.

Financial support is the expenditure, such as bursaries and hardship payments, directed at under-represented and disadvantaged groups.

Disability support relates to support in the financial year for students with a disability, which can include, but is not limited to, the disabled students' premium. This excludes expenditure included in the categories of Access Investment and Financial Support above.

The amounts identified as expenditure on Access and Participation include staff costs where these are intrinsic to the delivery of access and participation activities. Staff costs relating to Access and Participation activities amount to £83,144 (2023: £81,724). These costs are included within the overall staff costs figures included in the financial statements, disclosed at Note 7.

Our published Access and Participation plans for 2020-25 can be found at:

<https://www.hsu.ac.uk/about/our-approach/access-and-participation/access-and-participation-plans/>

### 23 Subsequent Events

On 1 August 2024 HSU acquired the assets, liabilities and operations of University College of Osteopathy (UCO) for a nil consideration. All courses and clinical activity previously delivered by UCO are now offered and validated by HSU, and the students registered with UCO became HSU students.

As part of the contract, HSU made a short-term loan to UCO of £1.2m which enabled UCO to repay in full long-term loans secured on their two leasehold properties in London. As a consequence, the properties were transferred to HSU under the same lease conditions and term, free of any legal charges.

All staff employed by UCO were transferred to HSU on the acquisition date under a TUPE arrangement, whereby they retained all their contractual employment rights. HSU are currently developing additional courses, including the setting up of a Health Business School, which are planned to commence in 2025 to be delivered from the premises transferred to HSU from UCO.

In preparation for this acquisition, HSU incurred legal and professional costs totalling £629k in the year ended 31 July 2024.

University College of Osteopathy (Company number 00146343) ceased trading on 1 August 2024 and is currently in the process of being wound up.

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