



Northumbria  
University  
NEWCASTLE

# ANNUAL REPORT AND FINANCIAL STATEMENTS 2023/24

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## Northumbria continues to take on tomorrow



## Contents

|  |    |
|--|----|
| Vice-Chancellor and Chief Executive's foreword   | 4  |
| Chair's introduction   | 6  |
| University's achievements at a glance  | 8  |
| Strategic Report: Vision, strategy and impact  | 16 |
| Operating and financial review   | 20 |
| Sustainability and the environment   | 26 |
| Principal uncertainties and how we respond to them   | 28 |
| Public benefit role  | 32 |
| Statement of corporate governance  | 36 |
| Statement of internal control  | 40 |
| Statement of Board of Governors' responsibilities in respect of the annual report and financial statements | 42 |
| Annual remuneration statement  | 44 |
| Register of governors and professional advisors  | 50 |
| Register of interests  | 54 |
| Independent auditor's report to the Board of Governors of Northumbria University                           | 56 |
| Financial statements   | 62 |
| Statement of principal accounting policies   | 68 |
| Notes to the financial statements  | 76 |

The Annual Report and Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (2019) and the Accounts Direction, dated 25 October 2019.

**MODERN UNIVERSITY  
OF THE YEAR.**

THE SUNDAY TIMES  
GOOD  
UNIVERSITY  
GUIDE  
2025



## Vice-Chancellor and Chief Executive's foreword



**I am pleased to introduce the Annual Report and Financial Statements for 2023/24. This report provides a comprehensive overview of the University's activities and achievements during the year, highlighting both our continued growth and the significant progress we have made in shaping the future of our institution.**

As we conclude another year of extraordinary milestones, I am filled with immense pride in being part of this ambitious and high-performing university.

This year saw the successful launch of our new University Strategy to 2030. As we look toward the future, we are guided by three strategic ambitions: Powering an Inclusive Economy, Creating New Knowledge, and Driving Social Mobility. These ambitions are supported by five key commitments that demonstrate how we will shape the university's impact on the world. We aim to harness our strengths to create opportunities for all, generate innovative solutions to societal

challenges, and foster a more inclusive, knowledge-driven economy.

A particular highlight of this year is Northumbria being named The Times and Sunday Times Modern University of the Year for 2025, a recognition that affirms our dedication to academic excellence, student success and social impact. This accolade is a reflection of the outstanding efforts of everyone in our university community, and I extend my heartfelt thanks to all my colleagues for their unwavering commitment and resilience.

Reflecting on the past five years, our achievements have been remarkable. Our strong performance in the Research Excellence Framework (REF2021) saw us rise to 23rd in the UK for research power, establishing us firmly as a research-intensive university. In parallel, we have maintained our longstanding commitment to social mobility by continuing to recruit and support students from traditionally under-represented backgrounds. These efforts were recognised with a series of prestigious accolades, including being named Times Higher University of the Year for 2022 and both Daily Mail Research University and Modern University of the Year for 2023. This recognition serves as a testament to the hard work, dedication and vision of our colleagues across the university, and I am confident that we will continue to push boundaries in the years ahead.

While 2023/24 has been a year of great achievement, it has not been without its challenges. The financial landscape for higher education remains complex, and this year we faced significant pressures. However, through careful planning and a collective effort to reduce our cost base, we are in a strong financial position. As a result, we are in a positive place for the year ahead, allowing us to continue investing in our people, our research and

our students. I am grateful to all those who played a role in ensuring the university's financial resilience during this period of uncertainty.

Looking forward, our focus remains on growth and inclusivity. We continue to attract a diverse range of students and staff from across the world and have expanded our provision across key areas. Our London Campus remains one of the largest satellite campuses in the capital, while our partnership with St. George's University Grenada continues to flourish. Additionally, our commitment to Transnational Education is yielding positive results, with strong recruitment and income growth anticipated in the coming academic year.

Throughout the cost-of-living crisis, we have remained dedicated to supporting our students, committing over £3 million to access, success and progression initiatives, and £1.7 million in hardship support. We continue to ensure that all our students, regardless of background, have the opportunity to succeed both academically and personally.

I am incredibly proud of all that we have accomplished together over the past year. As we move forward under the guidance of our new 2030 strategy, we remain focused on building a university that is bold, inclusive, and impactful—one that is prepared to meet the challenges of tomorrow while continuing to empower individuals and transform communities.

**Professor Andy Long**  
Vice-Chancellor and Chief Executive

28 November 2024





# Chair's Introduction



**Northumbria University's Annual Report and Financial Statements for 2023/24 marks the launch of our new University Strategy 2024-2030. The Board and I are incredibly excited to embark on this ambitious new plan, which will guide our efforts to deliver exceptional education and research, ensuring we remain one of the UK's top universities.**

In what has been a very testing time for the sector we have had another successful year, reflected in some of the fantastic accolades our Vice-Chancellor attests to, of which I am immensely proud. The Board and I however are all too clear that the challenge is not over, with ongoing uncertainty around student fees, international student recruitment and rising costs, now more than ever we need to maintain strong financial management, create new innovative ways to diversify our income while operating efficiently and sustainably and all the while maintaining the highest levels of quality in all that we do. I am immensely proud of all the achievements of our staff and students and despite a difficult external environment our university remains a resilient institution

that is able to continue to invest in and develop our people, our estate, our research and our teaching.

The Board and Executive are committed to working closely together to implement our new and exciting strategy, one that will further strengthen Northumbria's position at the heart of the North East. While the roll out of the full strategy will take time to materialise, we are already seeing progress and tangible outcomes within our vibrant university community. Our latest National Student Survey results demonstrate continuous improvement for the third consecutive year – an especially gratifying result, as it is based solely on student feedback. Research funding applications and awards have also surged, with applications increasing by 29% and awards by 31% over the previous year. One example, which we are really pleased about, is the UKRI-funded Centre for Doctoral Training in Citizen-Centred Artificial Intelligence, a £9 million initiative that welcomed its first cohort of students in September 2024. In addition to this we are committed to growing and developing our partnerships within the region—working with other North East universities and the North of Tyne Combined Authority— it is very important to us that working together has a tangible and positive impact on the wider communities across the North East.

In my role as Pro Chancellor, I have had the honour of celebrating the success of hundreds of our students over the last year who are now welcomed into our global graduate community. On behalf of the Board, I and my fellow Governors continue to play a fervent ambassadorial role in championing one of the largest and most ambitious universities in the UK, with over 37,000 students from 138 countries and over 3,000 staff. Our students consistently excel across a range of programmes and are driven by their potential to shape a sustainable, prosperous future.

At the core of our governance and decision-making are the students we are here to serve and our staff who serve them. 2023/24 continued to see excellent staff and students joining Northumbria to add to our already impressive community. We will face many issues over the coming years, and it will be to the credit of our staff and students that we are able to continue to realise our ambitions.

On behalf of the Board. I want to pay tribute to all University staff, ably led by the University Executive team, for their extraordinary efforts with students, colleagues and partners throughout the last year. I would also like to thank my fellow governors for their time, commitment and ongoing contribution to the success of this University.

In 2024/25 we will continue our journey, Board, Executive, Staff and Students alike, maintaining our levels of ambition, quality and excitement, rising to the challenges we know we will face.

**Dr Roberta Blackman-Woods**  
Pro-Chancellor and Chair of the Board of Governors

28 November 2024





# KEY ACHIEVEMENTS

## EDUCATION

The NSS results for Northumbria show a year-on-year improvement for the third year in row. Three out of the seven NSS 2024 categories were above sector average with two in the second quartile and one in the top quartile. The positivity score improved on all seven categories, and we improved our sector rank (amongst other Times Good University Guide providers) in five out of seven categories, with Learning Opportunities increasing by 18 rank positions, Learning Resources by 14 places and The Teaching on my Course by 10 places.

Northumbria's Graduate prospects score was 78.4% for 2021/22 leavers against 80.3% for 2020/21 and our sector rank of 50th in the Times Good University Guide 2025 remained the same as the prior year.

Ranked =19th in the UK for 'value-added' – a measure of a student's learning gain at university (The Guardian University Guide 2025).

Northumbria has been ranked top 10 for graduate business start-ups in each of the last 15 years – holding top spot in 5 of those years – with business turnover over £155m and over 1,450 jobs created. (Higher Education Business and Communities Interaction Survey for 2022/23).

Northumbria is currently in the top 30 in the UK for the number of full-time UK graduates entering highly skilled employment. 23% of all first degree graduates employed in the North East of England in highly skilled employment from the 2021/22 cohort were graduates of Northumbria University.

Northumbria is now ranked 60th in the UK for median graduate earnings one year after graduation and 58th for median graduate earnings five years after graduation, according to the latest Graduate Outcomes (LEO) statistics. Source: LEO Graduate Outcomes (Tax Year 2021/22) published Summer 2024.

## RESEARCH FUNDING

Research funding applications and awards have continued to grow at pace, with applications seeing a 29% increase on the previous year and awards a 31% increase on the previous year. In 2023/24, the value of research funding applications, including partner payments, was £299.6m compared to £231.7m in the previous year and research awards totalled £36.8m against an in-year target of £25.6m. Below are some examples of successes:

National Institute for Health Research (NIHR) funded research grants reached an all-time high of over £8m, and for the first time at Northumbria, the 22 awarded research grants included researchers working across all four of our faculties and 11 of our Departments.

Professor Annette Hand secured £2.5m from the NIHR Inspiring Students into Research programme, to deliver an innovative scheme to encourage more registered healthcare professionals into research careers, from across the North East and North Cumbria.

In November 2023, the UK Space Agency awarded £10 million to Northumbria University to support the development of the North East Space Skills and Technology Centre (NESST). In addition to this, Lockheed Martin committed a further £15 million investment in NESST to work with Northumbria's experts on collaborative research, technology development, in-demand skills provision and STEM engagement activities over a 10-year period. NESST will put the UK at the forefront of research and innovation in areas including optical satellite communications, space weather and space-based energy, and will lead the way in providing specialist education and training to ensure the UK space sector has the highly skilled workers it needs in the future.

In addition, we also secured support from EPSRC for the £11m ReNU+CDT, a transformative and inclusive programme that will train a new generation of Doctoral Carbon Champions to accelerate the journey to Net Zero led by Northumbria University in collaboration with Newcastle and Durham Universities.

Northumbria was named one of 12 Centres for Doctoral training in Artificial Intelligence funded by UKRI. The £9m Centre, led by Professor Shaun Lawson and known as the UKRI AI Centre for Doctoral Training in Citizen-Centred Artificial Intelligence, recruited its first cohort of students in September 2024.

Professors Jane Entwistle and Paul Vickers were both awarded funding, totaling over £1.1m, from the new UKRI cross research council responsive mode pilot scheme. Northumbria was the only University in the North of England to have two projects selected. The new pilot scheme aims to support truly interdisciplinary projects that transcend, combine or significantly span disciplines. Professor Entwistle is leading a study investigating elevated levels of toxic lead in children and Professor Vickers is leading a study with researchers from Northumbria and Newcastle universities which will create a new hub for sonification innovation.



# KEY ACHIEVEMENTS

## KNOWLEDGE EXCHANGE

Following a review of Northumbria's approach to delivering effective Knowledge Exchange (KE), a new sub-committee of RaKE has been formed to set our KE ambitions in alignment with the new strategy, develop operational plans across all KE activities, and manage/monitor performance. The Knowledge Exchange Operations Committee (KEOC) has met twice and initiated the process of developing operational plans for KE activity across the University.

In 2023/24 Northumbria contracted £4.8m in new awards for the delivery of CPD activity across 148 programmes, delivering 18,282 learner days. This included:

**CYP-MH:** Northumbria were contracted by NHS England to the value of £3m in new commissions for the delivery of Children and Young Peoples Mental Health Provision (often referred to as Improving Access to Psychological Therapies, IAPT) in the 2023/24 academic year. This is credit bearing CPD delivered to various healthcare professionals across the North of England, led by PI Dr Helen Woodley, and Dr Markku Wood, supported by the Business Development team.

**NUTH:** Northumbria's contract to deliver various CPD provision relevant to nursing and allied health to Newcastle-upon-Tyne Hospitals Foundation Trust was extended by a value of £250k in new contracted work in that year, led by PI DR Daniel Monk, with support from the Business Development team.

**Mental Health Law:** As part of NHS England's commissioning of the Approved Clinicians programme, Northumbria were contracted to the value of £562k to deliver the non-credit bearing CPD programme, led by PI Carol Burrell, and supported by the Business Development team.

On behalf of the Research England-funded programme, Capabilities in Academic Policy Engagement (CAPE), Northumbria University led on a major publication outlining the considerations for growing or expanding a policy engagement function at a university in order to support increased engagement between academics and policy organisations. This builds on Northumbria's extensive work on effective knowledge exchange with policy makers regionally, nationally, and internationally and has informed our approach to strengthening this work at the University through the next Strategy period.

Another notable success included a £1.7m contract research award from a consortium led by Northumberland County Council in collaboration with Arup for the delivery of research focused on flood resilience in the North East. This was led by PI Prof. Wai Pang Ng and Prof Wai Lok Woo, supported by the Business Development team.

Northumbria is also a partner on a £5m EPSRC place-based IAA led by Newcastle University focusing on Net Zero, in partnership with the 5 regional universities and Hull.

The first spinout company from Northumbria, PulmoBioMed, secured an investment deal worth over £2m comprising £1m from lead investor Mercia, £400k contributions from SFC and other Angel investors, and a £700k grant from Innovate UK. PulmoBioMed has received US FDA Firm Establishment Registration. Device manufacturer registration is a critical step in FDA Device registration and planned launch of their first product PBM-HALE, their non-invasive deep-lung gas collection device later in 2024.

The University has secured over £370k in competitive funding to progress a number of technologies towards commercialisation. The funding comes from Northern Accelerator (a regionally funded collaborative programme) and will accelerate the technical and commercial development of 11 technologies from HLS, E&E and ADSS faculties.

The EPSRC place-based impact accelerator account (IAA) bid for the North East Space Communications Accelerator (NESCA), led by Northumbria University in partnership with Newcastle, Durham, NECA and Space North East England, has been successful. This will provide £2.5m in knowledge exchange funding for the partnership to accelerate impact of space-related research. This is the first IAA Northumbria has secured as lead.

The University has also approved the spinout of our second company, EcoTechX, led by Prof. Wakil Shahzad. He has two inventions: the first is an atmospheric water generator running on solar power which converts moisture in the air into drinking water and the other is an ultra-efficient air-cooling system taking hot air down to an ambient temperature.

The Knowledge Bank is Northumbria University's new online licencing platform to disseminate free-to-use, knowledge-based tools and resources arising from our research. The focus has been on generating and evidencing impact at scale. We licenced our first Knowledge Bank resource in October 2023 and by July 2024 we hit 300 licences.

The IP Commercialisation team won the award for KE Team of the Year from professional body Praxis Auril.



# KEY ACHIEVEMENTS

## RESEARCH CULTURE

A revised set of Research Culture Principles was designed and agreed through consultation with diverse staff groups and analysis of sector best practice. These emphasise the promotion of an inclusive, fair and vibrant research culture as key to the delivery of the University strategy and research ambitions.

Research and Innovation Services (RIS) are one of the first Professional Service Teams in the country to have a Bronze Athena Swan Awards confirmed. Northumbria University was part of a trial, working with Advance HE, aimed at supporting professional support departments in applying for an Athena Swan Award, which has historically only been available to academic departments.

Northumbria's first Research Culture Committee was created in November 2023 to oversee our research culture activity. Membership of the committee comprises representatives from all parts of the university that play a role in research. Academic colleagues with lived experience of disability, LGBTQ+, and being from the Global Majority have ring-fenced membership on the Committee.

A Research Culture Action Plan was developed to implement our Research Culture Principles through a series of strategic Research Culture Initiatives including:

Research Group Leadership - following the work to formalise Research Groups and their leadership across the university in 2023, the first Research Group Leads conference was held on 21 June 2024. Research groups are a key mechanism to drive a more inclusive research culture;

The Working Group for Responsible Research Assessment has been created to develop recommendations to identify and embed responsible assessment across the university, in line with our commitments to external initiatives (such as DORA - the Declaration on Responsible Research Assessment);

Rejection and Resilience - a programme to support staff to build their resilience was launched to help normalise grant and paper rejections as part of knowledge creation and ensure that research ideas are re-worked and re-purposed;

Research culture identity and communications - workshops with GMB and members of the Research Culture Committee have been held to develop a distinct internal and external Research Culture identity at Northumbria to help socialise our Principles.

In addition to these initiatives, Northumbria was able to secure attendance for colleagues from REF Planning Group and Research Culture Committee to attend the workshops convened by Vitae to design indicators for the revised REF People, Culture and Environment submission. Active participation in consultations around People, Culture and Environment will maximise our opportunities to ensure indicators reflect diverse Research Cultures.



# KEY ACHIEVEMENTS

## LEAGUE TABLES

Northumbria University has risen 2 places up to 34th in the UK in The Complete University Guide 2025, our highest ever ranking. We remained 38th in the UK in the latest Guardian University Guide. The Times/Sunday Times Good University Guide 2025 has ranked Northumbria 43rd, up 6 places from last year and our highest ever ranking. Our rank in the Daily Mail University Guide 2025 also improved by 1 place to 46th.

We have been named Modern University of the Year in the Times/Sunday Times Good University Guide 2025.

In the Guardian University Guide, 3 subject areas offered by Northumbria have also been rated among the very best in the country, with Interior Design ranking in 1st place; Children's Nursing ranked 2nd, and Product Design ranking 4th.

Northumbria now ranks 28th in England for the average entry points of its students and is ranked =15th in England in the 'Value Added' metric, which looks at the degree classification students achieve based on their entry qualifications, meaning students are achieving strong degree outcomes.

Results from the Research Excellence Framework (REF2021) show Northumbria University with the biggest rise in research power ranking of any UK university. Its research power ranking rose to 23rd, having previously risen to 50th in 2014 from 80th in 2008, making Northumbria the sector's largest riser in research power ranking for the second time.

We have moved up to the top 401-500 universities in the Times Higher Education World Rankings 2024.

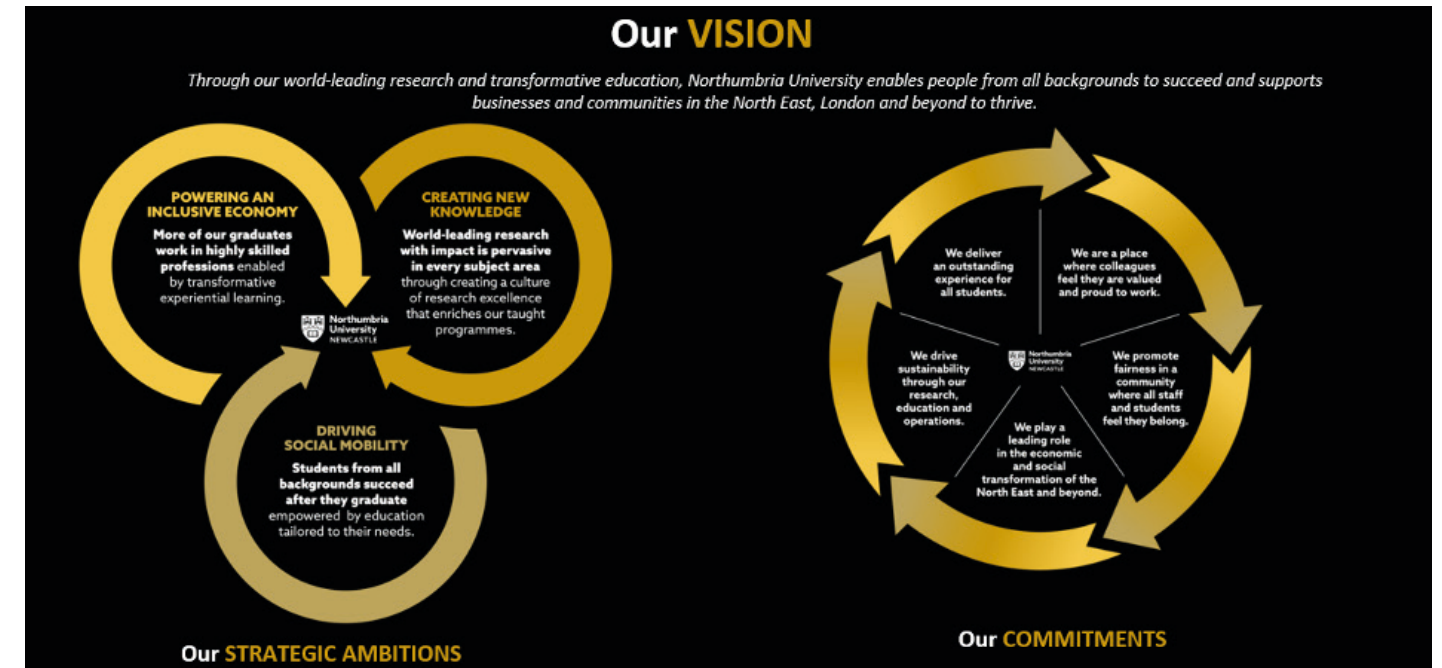
Northumbria is in the top 25 in the UK and best rated university in the North East for sustainability in the People and Planet University League 2023/24 and in the top 50 in the world for sustainability in the Times Higher Education Impact Rankings for 2024.



# STRATEGIC REPORT: VISION, STRATEGY AND IMPACT

# 2023/24

## Northumbria University Strategy 2030



**Through our world-leading research and transformative education, Northumbria University enables people from all backgrounds to succeed and supports businesses and communities in the North East, London and beyond to thrive.**

This Vision builds on the remarkable success we have achieved in recent years. We are building from a foundation as a research-intensive University ranked in the top 25 in the UK for research power and we strive to further grow the quality of our research, addressing key challenges across the economy, society and the environment. Our comprehensive, research-enriched education will empower our students to achieve their career and life ambitions beyond graduation. Our students will participate in research activity and be taught by researchers making key contributions in their field. This combination of research and education will maintain our role as an engine of inclusive economic growth, through new knowledge and innovation and by enabling people from all backgrounds to move into highly skilled employment or further study. We want to ignite aspiration and remove barriers for the broadest

range of communities. Studying at our university will be widely accessible and we will help individuals and communities to succeed in their ambitions.

Three interconnected Strategic Ambitions are the most significant changes we will make to achieve our Vision. They are of equal priority and apply to all of our academic disciplines - and we will seek to achieve them through our campuses in Newcastle and London and through global partnerships.

### Our strategic ambitions

Our Strategy sets out three Strategic Ambitions of equal priority that will deliver our Vision and which will make a difference to our communities:

- Powering an inclusive economy
- Creating new knowledge
- Driving social mobility

Excellent, impactful research drives high quality taught content, fostering ever stronger relationships with our partners. In turn, these partnerships and research-enriched education are critical in supporting experiential learning for our students. The opportunity to apply

knowledge in a variety of career-related, practical settings develops the talent and skills that employers value and need. It produces distinctive advantages to our graduates as they approach the job market, especially for those who are first in family to attend university and who may not yet have strong networks in the world of work. These students tend to be under-represented in higher education. Our study pathways, outreach and recruitment activity will focus on attracting people from all backgrounds to study at Northumbria.

### Delivering our ambitions

Northumbria University is making a significant impact on the world. Our vision, ambitions, and commitments, along with the value we bring to our community, promotes the creation of new knowledge that benefits society and transforms the lives of our students. Although the effects of our newly launched strategy will take time to materialise, we are already witnessing the positive outcomes of our previous strategy, which will serve as a foundation for the new one.



Early indications suggest the proportion of our UK UGs from POLAR quintiles 1 and 2 will increase year on year to 40%. However, it should be noted that it is still very early in the new Strategy period and the majority of performance metrics reflect activity and outcomes in the previous period, rather than being the result of new interventions or actions in the last six months.

We are leading the way in social mobility and together with our focus on research intensity, Northumbria has the highest proportion of students from Widening Participation backgrounds of English Universities in the top 25 for research power. We are proud that 55% of our undergraduate cohort comes from the North East of England and that 63% of our graduates go into highly skilled employment in the region. In terms of graduate outcomes, Northumbria is predicted to rank 49th this year, up from 50th last year. Additionally, feedback from the recent NSS shows that Northumbria has improved for the third consecutive year.

Northumbria's academics collaborate with students, alumni, and international partners to carry out world-class research, tackling tomorrow's challenges today and making a remarkable impact on the world.

Our international network of more than 500 partner universities, colleges, and schools as well as global industrial partners ensures we provide a supportive learning community that attracts some of the best researchers from around the world.

The University's track record of securing increasingly high volumes of research awards from funders illustrates both the University's growing reputation for research and effective research partnerships with other universities and stakeholders.

#### Our commitments

We will only achieve our Vision through the talents of our staff and students, in partnership with others, and by ensuring we are financially sustainable. Building on this and in line with our Values and Behaviours, we are choosing to make five

Commitments about how we will act while delivering our Strategic Ambitions and everything that we do.

In summary our commitments are:

- We deliver an outstanding experience for all students
- We are a place where colleagues feel they are valued and proud to work
- We promote fairness in a community where all staff and students feel they belong
- We play a leading role in the economic and social transformation of the North East and beyond
- We drive sustainability through our research, education and operations

#### Delivering our commitments

In terms of workforce size and composition: After three years of steady growth, headcount decreased in 2024 due to a campaign to reduce staff costs. Additionally, the proportion of fixed-term contracts declined from 11.7% in 2023 to 9.4%, compared to 23.7% in the HE Sector in 2022/23 (UCEA: August 23).

For Northumbria University's Academic Development Review, in the 2023/24 cycle, 155 colleagues participated: 110 received detailed feedback and 45 were promoted. 86 males and 69 females participated with 29% promoted. In 2022/23, 186 participated (98 males, 88 females), with 65 (35%) promoted.

As of 31 March 2024, the workforce profile shows that BAME representation increased to 14.4% from 12.8% in 2023 and those reporting a disability rose from 2.9% to 3.8%.

As part of our commitment to promote fairness in a community where all staff and students feel they belong, in 2024 Northumbria was awarded a Race Equality Charter Bronze Award by Advance HE, recognising our commitment to addressing inequalities and to advancing race equality. Following a collaborative approach working with members of our Race Equality Steering Group and also colleagues and students from the wider University community,

the final submission presented an extensive self-assessment of race equality at Northumbria and included a corresponding action plan to drive forward change.

In addition, Our Research and Innovation Service (RIS) are one of the first Professional Service Teams in the country to have a Bronze Athena Swan Award confirmed. Northumbria University was part of a trial, working with Advance HE, aimed at supporting professional support departments in applying for an Athena Swan Award, which has historically only been available to academic departments. RIS now joins our academic departments, all of which hold Athena Swan Bronze Awards. We have held an Institutional Bronze Award since 2015 and are on track to submit an institutional Silver award by March 2025.

In terms of our regional work, building on existing positive collaboration, we have finalised plans to bring the five North East universities closer together. This year will see the launch of "Universities for North East England" (UNEE) which will harness the power of the five universities and focus on ensuring that our shared commitment to the economic, social and cultural success of the NE is fully understood by regional stakeholders. The collaboration will enable us to work as one with public and private partners in the region, including the North East Combined Authority (NECA) where the universities have agreed to represent the sector on various agendas (with Northumbria leading on the Environmental and the Education, Inclusion and Skills advisory boards).

#### Financial and operating outlook

We are in a stable financial position where we can start to look ahead and plan for our future. We have taken a range of actions in the past year to reduce costs and have delivered a well-planned and positive student recruitment performance, particularly given the sector context, which gives us a strong foundation on which to build our plans for the coming years.







# OPERATING AND FINANCIAL REVIEW

## 2023/24

**2023/24 presented significant financial challenges as Northumbria faced many of the headwinds that have affected the sector at large. However, through careful planning and collective action to reduce costs, the University is well positioned to move forward with stability and confidence.**

### Financial performance and position

Financial performance in 2023/24 reflected the increasingly challenging operating environment, with reduced income particularly in relation to overseas students. However, the prompt cost mitigation measures implemented during the financial year led to a small surplus in the core University operations (excluding London Campus) of £1.5m:

| Key financial metrics   | 2023/24<br>£'000 | 2022/23<br>£'000 |
|---|------------------|------------------|
| Income  | 377,617          | 382,103          |
| Operating surplus / (deficit)   | 9,533            | 12,708           |
| Operating surplus attributable to University before exceptional items | (9,815)          | (1,957)          |
| Surplus/ (deficit) attributable to University                         | 1,217            | (634)            |
| Adjusted EBITDA   | 9,758            | 37,497           |
| Net operating cashflow  | 7,530            | 22,422           |
| Cash and investments  | 103,761          | 124,238          |

- Group income decreased by £4.5m, with decreased tuition income from both home and overseas students.
- The operating surplus decreased significantly from £12.7m to £9.5m. Of this, the majority relates to the surplus attributable to the non-controlling interest, with the surplus attributable to the main University being £1.2m (2022/23: deficit £0.6m).
- Adjusted EBITDA (Note 28), being Earnings before FRS 102 pension adjustments, interest, tax, depreciation and amortisation, decreased to £9.8m, compared to £37.5m in 2022/23. This reflects the reduction in income particularly from international tuition fees, offset by cost mitigation actions taken during the year.

- Net operating cashflow fell from £22.4m in 2022/23 to £7.5m. This reflects the challenging operating environment for the sector but is in the context of reduced income and that the in-year measures taken to manage future costs will only be fully realised in future years.

The overall operating performance in a challenging environment and the proactive measures taken together mean that the University's financial position remains strong and the University is in a stable position to grow and invest going forward. Cash and investments held by the University (rather than the group) decreased from £124.2m to £103.7m whilst the loan balances with Barclays Bank (payable over a 14-year period, at rates fixed through hedging arrangements) also reduced by £3.3m to £43.9m. Together this means that net cash decreased by £18.3m having also spent £31.3m on long-term (capital) investments to our estate and technology.

### Income

Total group income decreased from £382.1m to £377.6m. UK student fees remain the largest income source contributing £167.0m, or 44.2% of total income, but the University has continued to see growth in other income streams, with Research Grants and Contract Income increasing by £1.7m to £18.1m, and income from other sources also increasing substantially from £37.7m to £41.8m.

### Tuition income and student recruitment and retention

Total tuition fees for 2023/24 of £275.6m showed a 4.6% decrease on the prior year of £289.0m. Income at our London Campus decreased slightly to £45.2m from £47.8m. Our recruitment of students to our London Campus is primarily affected by government policies impacting on the attractiveness of the UK Higher Education market to international students.

As the London Campus has continued to grow, it has a material impact on the University's consolidated results, and therefore the underlying University results are referenced in a number of places in this report rather than the consolidated group results. Excluding tuition fees from our London Campus, run in partnership with QA Higher Education, the decline in tuition fee income for the University was £14.4m to £226.3m. This reflects a decrease in full time UK undergraduate income, as the University has managed numbers down from the peak levels of recruitment in 2020 and 2021. Income from international students also decreased by £4.7m, with the University experiencing recruitment challenges in both Nigeria and India.



The most recent league tables show Northumbria continuing to progress in the top 50 for all of the main UK rankings. Furthermore, the University has been named Modern University of the Year in The Times and Sunday Times Good University Guide 2025.

The University continues to place critical importance on the retention of students, with significant targeted efforts made to ensure that no student loses the opportunity to study. Based on student feedback, the University overhauled its single hardship fund into four more targeted funds to address specific aspects of hardship. The primary driver for hardship applications continues to be support with accommodation and living costs. In total £1.7m was spent on direct hardship provision, with continued further investment in financial and wellbeing literacy support, both internally within the University and through the use of the Blackbullion platform.

#### Research income

Income from research grants and contracts increased by £1.7m to £18.1m. This growth reflects the impact of increased award rates in previous years, and the trajectory of both research funding applications and awards continues to trend positively as the University continues to further grow its research as a key pillar of the Northumbria University Strategy 2030.

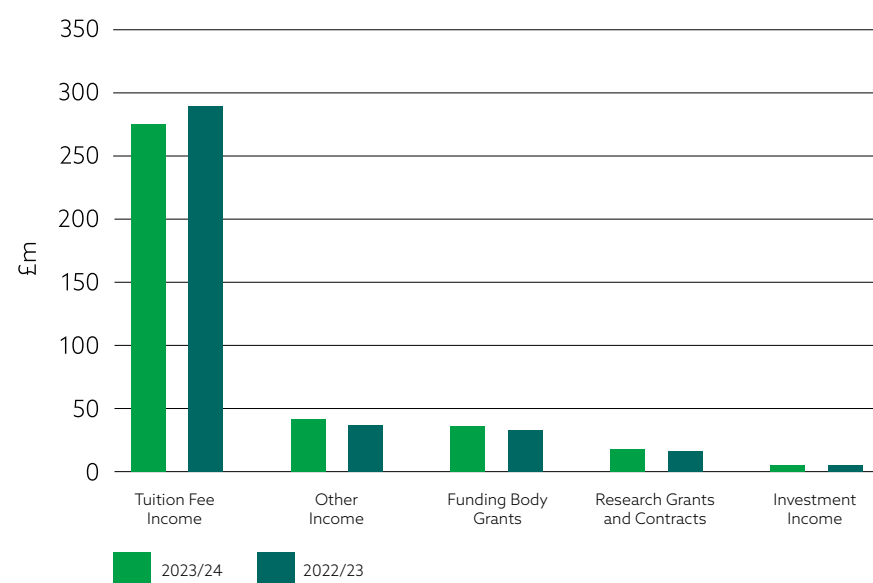
The value of grants awarded during 2023/24 totalled £36.8m, significantly above the in-year target of £25.6m, and details of the key awards won are highlighted on page 9.

#### Other income diversification

Growing income from non-core sources continues to be a key priority for the University. In 2023/24, income from these activities grew by 11.0% to £41.8m. Income from collaborative ventures increased by £3.6m to £13.6m, with income particularly increasing because of our continued strong partnership with St George's University Grenada.

There was also encouraging growth in accommodation, catering and conference income (up 4.6% to £14.1m)

#### Diversification of Income - Year on Year



and for our outsourced IT helpline provision (up 11.8% to £1.9m).

#### Supporting and investing in our people

Before exceptional pension costs, staff costs within the University were £217.4m, 57.6% of total income (2022/23: £211.8m/ 55.4%). The increased costs reflect increasing salary and pension costs, particularly with respect to the Teachers' Pension Scheme, where employer contribution rates increased from 23.6% to 28.6% from April 2024.

A major focus during the year has been on proactively reducing the size, and therefore the underlying cost of the workforce and some non-staff costs to secure the University's long term financial sustainability while continuing to invest in areas which support the successful delivery of Strategy 2030.

In collaboration with colleagues and recognised trade unions, activities were reviewed and guided by the Strategy, decisions were made on which could be stopped or delivered in a different way. Conscious decisions were made to combine teams to reduce leadership and more efficiently manage peaks and troughs in work. Careful planning, meaningful engagement with colleagues and early decisions enabled the University to reduce staff costs and avoid compulsory redundancies through a combination of careful vacancy management, promotion of flexible working options and a programme of voluntary exits in areas where it was in the University's interest to support. The reduction in non-staff costs included initiatives such as utilities savings by reducing building opening hours, reviewing software licences and reprioritisation of other expenditure.

| League table                  | Current Ranking | Last Year |
|-------------------------------|-----------------|-----------|
| <b>UK Ranking</b>             |                 |           |
| Complete University Guide     | 34              | 36        |
| Times Good University Guide   | 43              | 49        |
| Guardian University Guide     | 38              | 38        |
| Daily Mail University Guide   | 46              | 47        |
| <b>Worldwide Ranking</b>      |                 |           |
| THE World University Rankings | 401-500         | 501-600   |
| THE Young University Rankings | 96              | 101-150   |
| QS World University Rankings  | 535             | 548       |

While the savings were being pursued investment continued in areas aligned to delivery of the strategy, including making 9 Vice-Chancellor Fellow appointments, recruiting to shortage areas, promoting 60 academic colleagues via the Academic Development Review process, presenting 41 Shine Awards (from 204 nominations) to individuals and teams considered exemplars of our Values and Behaviours and becoming an accredited Living Wage Employer.

In May 2024, a new role of Assistant Professor (Practice) was introduced within our Academic Career Framework with the aim of enabling colleagues to bring the insights of contemporary practice into our programmes, supporting our ambition to power an inclusive economy in Newcastle and beyond. Forty two practice based colleagues were appointed to these roles in 2023/24 to share, via teaching, their experience of professional practice and associated skills and shape the provision of contemporary experiential learning opportunities.

To support colleagues to succeed in achieving their career aspirations, 27 colleagues were supported to complete a professional qualification and six to complete a degree apprenticeship. Of this number, five were supported to complete a coaching qualification, further strengthening our Internal Coaching Network. 68 colleagues received coaching over the last year through the network and 46 were matched with an internal mentor through the Mentoring Scheme.

The HR team were winners of the Universities HR (UHR) 'Exceptional HR' Award 2024 for the cultural transformation, prioritisation of engagement, intentional efforts of leaders and colleagues and substantial momentum in the adoption of Northumbria Values and Behaviours, influencing decision making and everyday practices. Northumbria also won the Public Sector Organisation of the Year Award in the 2024 Business Culture Awards for the culture transformation work and were partners in the Consultancy of the Year Award

alongside the Culture Builders who supported the University with the launch of Northumbria Values and Behaviours.

#### Pensions

The provision of attractive pensions arrangements remains a key element of the University's overall approach to pay and conditions. However, the cost of providing such pensions continues to be both significant and volatile. Four schemes are available to Northumbria staff, each of which has different challenges and accounting treatments.

Membership of the University's own defined contribution pension scheme continues to grow, with 971 members (26.8% of the staff base) at the end of 2023/24 (2022/23: 832, 25.6% of the staff base). This scheme offers attractive terms for members by comparison with many pension arrangements (including a zero percent contribution rate option for members), whilst providing the University with certainty of costs both now and in the future.

The financial results show an exceptional pension credit for the year of £11.0m (2022/23: £1.5m credit). This relates to the Universities Superannuation Scheme (USS), for which the University recognised a provision in the accounts for the recovery of the deficit. As in 2022/23, the change to the provision is an accounting entry only and has no cashflow impact.

The large credit recognised in the 2023/24 staff costs is as a result of the 2023 USS valuation which resulted in a surplus funding position for the scheme. As a result, members of the scheme have been directed to release any remaining deficit provisions related to the USS in the 2023/24 financial year.

During the year the value of the Local Government Pension Scheme (LGPS) has again increased from a surplus of £34.1m to a surplus of £49.3m. This actuarial gain results primarily from an increase in the scheme assets of £27.5m outweighing the increase in the scheme obligations of £12.3m. As with the USS scheme, whilst changes to the valuation of the assets and liabilities are indicative of the financial strength of the scheme, the

movement in the deficit does not have an in-year cash impact. Instead, percentage contribution rates for current service, and any lump sum deficit recovery payments, are set following each actuarial valuation. In keeping with current accounting convention, the pension asset will be restricted and therefore not recognised as an asset on the balance sheet as was the case in prior years.

A significant cost increase was seen for the Teachers' Pension Scheme when the employer contribution rate increased to 28.6% from 23.6% from April 2024. The pension costs paid to the TPS in the year amounted to £18.5m, an increase from £16.4m in the prior year, illustrating the challenges of maintaining attractive pensions provision despite the cost increases. The full year impact of the increased employer contributions will take effect in 2024/25.

#### Operating expenditure

Operating expenditure excluding depreciation and interest costs increased from £133.8m to £138.7m at group level although, within the University's own results (which exclude the consolidation of the London Campus income and costs) operating expenditure decreased by £1.4m (1.2%). This reduction reflects the efforts undertaken to identify efficiencies and mitigate the impact of inflation on our operating expenditure, with around £4m of cost savings identified during 2023/24.

#### Capital investment

The University has continued to invest in its estate, equipment, and IT infrastructure and is finalising plans for continued transformational investment over the strategy period. £27.3m (Note 16) of capital additions were made to buildings, infrastructure and equipment, and £7.0m (Note 15) was invested in intangible assets (software and intellectual property). Among the major areas of investment were:

- £1.6m on labs and equipment, spread across the faculties to support both teaching and research.
- £9.7m on investment in strategic projects including the North East



Space Skills and Technology Centre (NESST), Centre for Health and Social Equity (CHASE) and the completion of the purchase of MEA House, which will provide 4,100 m2 of space as part of the South Quad development of the campus.

- £6.4m invested in the new NU People and Finance system, built on an Oracle platform, which is bringing the University's core HR and Finance systems to modern standards. The new system, which is a Software as a Service (SaaS) installation and should remain up to date as software updates are released on a quarterly basis, has now been released to cover all of HR, Payroll and Finance.
- £5.4m invested in IT equipment and infrastructure and £3.9m on recurrent estates resilience and transformation programmes, both reflecting the need to continue investment in the underlying core assets of the University and the need to make more transformational change.

**Financial outlook and assessment of going concern**

Whilst the University's performance in the year to 31 July 2024 was strong, the outlook for future years remains challenging. Staff cost inflation is a particular challenge, especially when set alongside continued static UK fees in 2023/24, whilst increasing competition for overseas and UK students makes the need to continue with income-diversification plans and cost management clear. Nonetheless, whilst these challenges should not be underestimated Northumbria continues to be able to approach the future with confidence.

The ability to adapt to sector conditions and make cost savings as required has been demonstrated during 2023/24 and the university continues to be agile in its ability to pull levers needed to remain financially sustainable into the future.

The strong financial results in recent years have helped build a strong financial base and a significant cash buffer of £103.7m. This continues to provide both a safety net in the event of further unexpected challenges, and a basis from which to invest in the strategy.

The risks and uncertainties which remain – especially relating to UK government policy and the worldwide economic uncertainty – continue to be closely monitored and managed. The University's annual planning and budgeting round has again been used to ensure that the strong financial position and headroom can be maintained, with key control measures including:

- Setting a budget with income and investment contingencies prioritised towards protecting the headroom whilst facilitating strategic investments; and
- A clear in-year process to monitor and manage progress against budget with the ability to amend plans to fit with the emerging financial picture across the year and looking forwards.

As with any university, the Board of Governors must confirm that it has reasonable expectation that the University has adequate resources to continue in operation for the foreseeable future. Against the financial outlook above, the Board has confirmed this view, and the University continues to adopt the going concern basis for preparing the financial statements. In reaching this conclusion, the Board has reviewed the sustainability of the University and is satisfied that the strategies, plans and processes in place will help the University move towards the achievement of its strategy. In particular, the Board has considered the environment in which the University is operating as an institution and considers the University to be financially sustainable, with key items providing assurance to the Board being:



- Regular reviews of performance, including via the annual budgets and five-year forecasts submitted to the OfS;
- Regular reviews of performance against budgets and forecasts, using net adjusted operating cashflow as a key performance indicator relevant to institutional financial sustainability;
- The University's strategic risk register, and the reporting on this via the Employment & Finance and the Audit Committees;
- Updates on compliance with the financial covenants of the University's lenders, Barclays plc, and of compliance with measures required by OfS; and
- Sensitivity analysis and scenario modelling to assess the impact of risks including sector changes, revisions in government policy and variable student numbers.







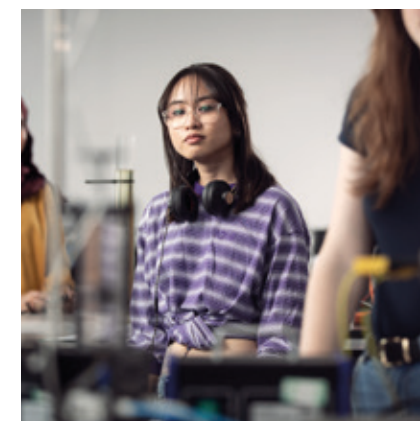
# SUSTAINABILITY AND THE ENVIRONMENT

## 2023/24

**Our commitment to sustainability and environmental stewardship is a core commitment within the University Strategy 2024-2030. We recognise the critical importance of addressing climate change and safeguarding natural resources for future generations. Our efforts support the UN's global sustainability goals, and we are committed to making a positive impact on the environment while encouraging sustainability in all areas of learning and research. In recognition of our sustainability work, we achieved Full Observer Status of the UN Framework Convention on Climate Change.**

Being ranked 48th in the world within the global THE Impact League demonstrates our truly international outreach, our sustainability commitments and the positive impact that our research and teaching are having on communities around the world. We were delighted to have been shortlisted as Finalists for a Green Gown Award in recognition of our research work on renewable energy.

Our decarbonisation work continues via the replacement of inefficient gas boilers with state-of-the-art Air Source Heat Pumps (ASHPs), which have been installed at our Coach Lane Campus as part of a multi-million pound project supported by a £1.9m grant provided by the Public Sector



Decarbonisation Scheme (PSDS). We have secured a further £928k of grant funding from PSDS to install ASHPs onto two further buildings as part of our plans to remove gas fired heating.

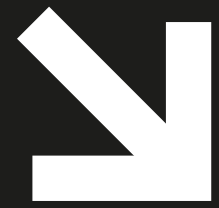
The University is making concerted sustainability efforts under our Environmental Sustainability Policy. The University maintains an excellent reputation in this area as a 'First Class University' according to the People & Planet University League, ranking 24th within the UK and top in the North East region. In addition, following a rigorous external audit, we maintained our accreditation of our Environmental Management System certified to the ISO 14001 standard.

Looking ahead, Northumbria is poised to continue its pursuit of excellence in sustainability, setting an example for higher education institutions and the broader community alike.



QA Pathway  
Northumberland Road





# PRINCIPAL UNCERTAINTIES AND HOW WE RESPOND TO THEM

2023/24

**The external and internal risk environment for institutions across the Higher Education sector continues to change at pace, presenting new and varied risk and resilience challenges for universities throughout the country and around the world. Northumbria University continues to effectively navigate the changing risk landscape, whilst remaining committed to the Strategic Ambitions and Commitments set out in its Strategy.**

Northumbria's Board of Governors and University Executive jointly recognise that the University's principal uncertainties present both opportunities and threats. Northumbria uses its risk management and internal control arrangements, described in the Statement of Internal Control and its Risk Management Policy, to support its strategic and operational planning objectives, and to respond appropriately to the changing environment.



The Board of Governors, along with its associated Committees and the University Executive, assures itself that risks to the achievement of our strategic outcomes are monitored and managed appropriately, through periodic and targeted reviews of the University's Strategic Risk Register and through quarterly

Strategic Risk Reports. Risks to our operational capability, and the output and effectiveness of our large strategic and estates projects, are also managed through this framework.

Following the finalisation and launch of the current University Strategy, a full review of both the University's Risk Appetite Statement and its headline Strategic Risks took place. The University continues to manage risk at a strategic level across a number of key strategic risk areas (including People, Teaching and Learning, Research, Financial Sustainability, Compliance, Infrastructure, and Governance), as well as having a new focus on managing risk in new key strategic areas, including Security, Environmental Sustainability, and Social Mobility.

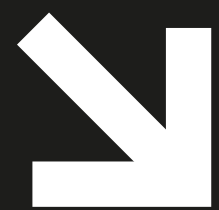




**The University currently tracks 16 Strategic Risks, as set out below:**

|  |  |  |  |
|--|--|--|--|
| <p><b>SR1: Staff are not motivated, engaged, or aligned with the University’s ambitions</b></p> <p>Our internal engagement activity supports delivery of the University Strategy, and the development of our culture remains a key priority. We continue to engage colleagues through a range of avenues, including our NU Ways of Working programme, our Values and Behaviours engagement activity, our SHINE Awards, and through wider digital communications programmes.</p>  | <p><b>SR2: Inability to recruit and retain high quality staff, while diversifying our staff base</b></p> <p>We strive to be a University that values people, with an inclusive environment that attracts and retains talented individuals from diverse backgrounds and supports access to opportunities and development.</p>   | <p><b>SR9: The University has a significant legal or regulatory compliance failure</b></p> <p>We ensure proactive, proportionate legal and regulatory compliance arrangements by employing skilled, experienced staff, undertaking routine horizon scanning, professional development and training, and maintaining clear policies, procedures and systems that ensure compliance levels are maintained, including via formal internal and external audits. A newly formed Regulatory Compliance Group underpins the University’s compliance assurance with its primary regulators, and reports to the Board of Governors.</p> | <p><b>SR10: The University is not financially sustainable</b></p> <p>We seek to increase and diversify our income, manage our cost base, and maintain appropriate cash balances. This means we can invest in our people and our Strategy. Our robust financial planning arrangements and strong management of costs enable us to allocate resources with confidence, focus and flexibility.</p>  |
| <p><b>SR3: Failure to improve quality and impact of research and knowledge exchange activity</b></p> <p>We continue to invest in new academic posts, early career researchers, and research support systems and facilities, to sustain and further develop a research-rich learning environment for staff, students and partners. We embed research in education and knowledge exchange to drive academic excellence and are working towards increasing our volumes of 4* and 3* research. We are striving to provide world-class research in key areas of strength, with strong disciplines underpinning increased multidisciplinary collaboration and impact.</p>  | <p><b>SR4: Failure to grow research, grants and contract income through research and knowledge exchange activity</b></p> <p>The University has folded the growth of RGCI into its Strategy, setting a Measure of Success for the generation of £60m of RGCI by 2030. A renewed emphasis on processes, systems and controls for the development of RGCI make this risk unlikely. The lead indicators for RGCI (submission of applications and awards funded) are trending positively.</p> | <p><b>SR11: Failure to enhance and maintain the functional suitability of the University’s infrastructure</b></p> <p>Our estates developments provide the opportunity to significantly enhance and maintain facilities to improve student and stakeholder experience/outcomes in line with University Strategy objectives and to improve the efficiency of the use of the estate. We continue to improve the information technology infrastructure, security protocols, and data loss prevention capabilities that underpin the student and stakeholder experience.</p>  | <p><b>SR12: The University is unable to sustain its positive impact on social mobility</b></p> <p>One of the University’s three new Strategic Ambitions, ‘Driving Social Mobility’, places an acute emphasis on social mobility for this strategy period. The University enjoys strong diversity in its staff and student recruitment, and demonstrates strong results in graduate outcomes. New Strategic Delivery Plans present a strong focus on managing positive impacts on social mobility.</p>  |
| <p><b>SR5: Teaching and learning does not allow students to reach their full potential</b></p> <p>We aim to improve student outcomes, and this is reflected in the University’s Strategic Delivery Plans for Teaching and Size and Shape. A range of educational learning analytics drives the evolution of our academic portfolio. All students at Northumbria will have a research-rich, experiential and enquiry-based educational experience.</p>  | <p><b>SR6: The University does not provide an exceptional student experience</b></p> <p>We have demonstrated further, consistent improvement through recent NSS results, and will continue to strive to improve the student experience. Student feedback supports direct engagement of students in shaping and influencing changes to our student experience, our technology, estates and facilities, and a range of other areas.</p>  | <p><b>SR13: The University does not have a positive, lasting impact on environmental sustainability</b></p> <p>In 2024, the University’s refreshed strategy places an explicit emphasis on environmental sustainability, with a view to further embed sustainability across its research, teaching, and operations. The University has dedicated staff resource to manage sustainability and decarbonisation, and has a strong policy and process position to underpin its approach to environmental sustainability.</p>   | <p><b>SR14: Failure to enhance and grow the University’s reputation, market position, influence and partnerships</b></p> <p>The development of new and existing high-quality strategic partnerships forms a central strand of our Strategy both at home and abroad, and across our full scope of activities. These partnerships provide a broad range of research, educational and employment opportunities for our students and staff. We continue to improve our distinctive offer, building on various sector awards and strong results in NSS/REF to reflect our strength and ambition, and this is illustrated in our improving market position. The brand remains crucial to reinforcing Northumbria’s reputation within the HE market. Success in our fundamental areas of education and research support our efforts to drive performance and market position.</p> |
| <p><b>SR7: Student income targets for the strategy period are not met</b></p> <p>We aim to be a university of choice for students, stakeholders, customers and influencers, with our offer increasingly individualised. Our ability to attract the most promising students, irrespective of background, remains a vital measure of academic quality. Recent external influences, including government policy, a changing international market, and the continuation of fixed undergraduate fees, mean that the University has repositioned its market analysis and recruitment focus; a new Strategic Delivery Plan focusing on Size and Shape means that the University is confident that it will hit recruitment targets over the strategy period.</p> | <p><b>SR8: The University does not have a strong and sustainable global presence</b></p> <p>International recruitment and broader partnerships remain subject to changing UK Government, EU and international policy landscapes, global competitive pressures, and continuing uncertainties arising from a changing geopolitical picture. The University’s International Strategic Delivery Plan is flexible and able to respond to changing global opportunities.</p>                   | <p><b>SR15: The University does not sufficiently protect its people and infrastructure from security threats</b></p> <p>Dedicated people and systems resource across the University allows for a determination that a significant security breach would be unlikely. The University has established a Security Risk Management Group to centralise its activity across key security areas, including cyber security, data security, and campus/physical security. This Group will provide an annual security assurance report to the Board of Governors.</p>   | <p><b>SR16: The University does not deliver change or large strategic projects effectively</b></p> <p>Targeted changes to service structure, including a merger between the IT and Transformation teams into the newly formed Digital Technology and Transformation Service, alongside the University’s approach to people resourcing and its Digital Technology and Cross Cutting Strategic Delivery Plans, provide strong control and assurance in this risk area.</p>   |





# PUBLIC BENEFIT ROLE

## 2023/24

**The University of Northumbria at Newcastle is an 'exempt charity' under Schedule 2 of the Charities Act 1993, the Charities Act 2006 and section 22(1) of the Charities Act 2011. As an exempt charity, Northumbria is not subject to direct registration with, or regulation by, the Charity Commission for England and Wales. Since 01 April 2018, the Office for Students (OfS) has acted as 'principal regulator' of the University on behalf of the Charity Commission.**

The Board of Governors, as the trustee body of Northumbria University, confirms that:

- It complies with the law applying to exempt charities, through the production of financial statements in accordance with the requirements of the OfS and disclosure of the University's charitable status by means of this document.
- It has referred and adhered to OfS Regulatory advice 5: exempt charities and Regulatory advice 9 on accounts directions. In relation to the former advice, this includes understanding and reviewing key Charity Commission requirements including on exempt charities and public benefit requirements for charities in England and Wales, which apply to the University.
- The University has reviewed its relationship with paragraph 28 connected charities that have income of more than £100,000 under Schedule 3 of the Charities Act 2011, and that there are no other connected charities to the University which require reporting on.

Although the University is not required under the Charities Act 2011, or the OfS Regulatory Framework, to produce a public benefit statement, it is committed to expressing the value it provides to its key beneficiaries. The University's charitable purposes are delivered as an outcome of it exercising its powers as a Higher Education Corporation (HEC), which in so doing provides a public benefit principally to its student beneficiaries through the 'advancement of education', and through other charitable purposes, including the 'advancement of health and saving lives',

'the prevention or relief of poverty', 'the advancement of environmental protection and improvement', 'the advancement of human rights, conflict resolution or reconciliation' and 'the advancement of arts, culture, heritage or science' through its teaching, learning and research activities. Northumbria's public engagement and outreach activities also support the advancement of citizenship and community development. Further information demonstrating Northumbria's delivery of its charitable purposes for the public benefit is included throughout the annual report.

- In 2023/24, Northumbria University charged a £9,250 fee for home fee Undergraduate students, the maximum fee permissible and in line with the majority of English HEIs. In recognising that life chances are unequal in society, a longstanding commitment to securing access to HE for students from a range of disadvantaged backgrounds is key. The University's commitment to widening participation and equality of opportunity across the whole student lifecycle is set out in its four-year Access and Participation Plan 2024/25 - 2027/28 approved by the Office for Students (OfS) in October 2023. The Plan sets out six objectives in accordance with the OfS Equality of Opportunity Risk Register (EORR) focusing on Access, Continuation, Completion, Attainment and Progression of our students and seeking to close gaps where they exist between different student groups.
- The plan is outcome focused and ambitious and includes a series of stretching targets which will be monitored annually by the OfS. Examples include targets to remove

the continuation gap between students who were eligible for free school meals and those who were not by 2030 and to remove the attainment gap between black students and white students by 2028. A full review of the student lifecycle versus under-represented groups was undertaken when preparing the Access and Participation Plan. This compared University performance trends against the sector and was underpinned by datasets provided by the OfS and the EORR which set out a range of risks to equality of opportunity across the HE sector, and indicators of those risks at individual providers. This showed that the University had performed well against the sector (and regional comparators) in a number of areas including closing of the continuation gaps between young and mature students and removing the attainment gap between students with a reported disability and those with no disability reported.

- The latest OfS Access and Participation dashboard published in July 2024 shows that the university is making good progress in a number of areas including narrowing completion gaps between students who were eligible for free school meals and those who were not, removing the continuation gaps between male and female students altogether and narrowing the attainments gaps between black and white students and between male and female students.
- In 2023/24, the University invested over £5.2 million in access, success and progression including £1.7 million in hardship support.



- Northumbria has a longstanding programme of outreach activity delivered from Year 5 through to mature students, to encourage students from all backgrounds to progress to HE. Examples include:

- 'Destination Northumbria', a scheme for students, both with and without contextual offers, who have applied to Northumbria who meet one of a variety of eligibility criteria. This supports students to develop the skills necessary for successful undergraduate study and have the opportunity to earn points, equivalent to 8 UCAS tariff points, for access to Northumbria if they are not eligible for a contextual offer. In 2023/24 the programme engaged 621 students.

- the North East Raising Aspiration Partnership (NERAP) collaboration between the five North East universities working together to ensure every young person has the opportunity to make informed decisions about higher education, specifically for key groups under-represented in HE. Northumbria has signed up to the Care Leavers Covenant in collaboration with NERAP, to offer care leavers a bespoke package of support, including pre-application, post-application and when enrolled as students at the university.

- the North East Uni-Connect Programme (NEUCP), working with universities and colleges in the North East region to support young people in the North East in considering their future options and pathways available to them.
- IntoUniversity Newcastle East, a centre in Walker, opened in partnership with Newcastle University. The centre offers primary and secondary school children academic support after school, in addition to hosting academic focus weeks for individual schools.

## Northumbria provides targeted personalised support

Northumbria provides targeted, personalised support to reduce the gaps in performance for under-represented groups through wellbeing, learning and employability initiatives which includes:

- Learning Analytics - personalised, targeted support for students who are at risk of non-continuation, based on data driven insights we actively intervene for those students to maximise support for them to succeed.
- Working in partnership with students and the Students' Union to empower underrepresented students to enhance the inclusivity of the student experience. This is achieved by sharing their voices and lived experiences in a variety of supported and structured schemes which pay students to review practice across the university, deliver training and offer peer support.
- Targeted employability initiatives and opportunities including internships, placements, study abroad, enterprise and career readiness, and mentoring.







# STATEMENT OF CORPORATE GOVERNANCE

## 2023/24

**The University of Northumbria at Newcastle was incorporated as a Higher Education Corporation (HEC) following the passing of the Education Reform Act 1988. Northumbria was granted 'university' title and associated powers in the Further and Higher Education Act 1992. Our Instrument and Articles of Government set out the objects, powers and constitution of the Board of Governors, Academic Board and the Vice-Chancellor and Chief Executive and can be found on the University's website. The Higher Education and Research Act 2017 provides the opportunity for HECs, including Northumbria, to deregulate, amend and potentially revoke and replace the Instrument and Articles of Government with an alternative governing instrument relevant to any new legal form adopted by the University. The Board of Governors approved a full revised set of governing documents in April and June 2022 and approve any adjustments to those documents as required.**

The Board of Governors is the Trustee Board of Northumbria as an exempt charity. The Board confirms that it complies with the HE Code of Governance published by the Committee of University Chairs (CUC) in September 2020.

The Board has responsibility for determining the mission, strategy and educational character of the University, and works closely with the University Executive, chaired by the Vice-Chancellor and Chief Executive, to deliver the university's priorities and achieve its sustainability and success. The Board is responsible for the stewardship and safeguarding of the University's resources, assets and reputation, and assures itself of compliance with legal and regulatory obligations.

The Board of Governors has a range of strategic, regulatory and wider stewardship responsibilities which are not delegated to any other individual(s) or bodies. The Board's strategic responsibilities include approving and reviewing performance against Vision 2030, the University Strategy 2030 and other key plans. The Board's regulatory and stewardship responsibilities centre on its role as Northumbria's ultimate legal authority and for safeguarding the University's assets and its financial sustainability and receiving assurance that its systems comply with the University's legal and regulatory obligations, including as an exempt charity, and the OfS.

The Board delegates a number of its responsibilities in several ways:

- ensuring that the Vice-Chancellor and Chief Executive effectively leads the academic and executive management of the University: The University Executive is the University's senior leadership team, comprising individuals with academic and professional support portfolios. The role of the University Executive is to advise the Vice-Chancellor and Chief Executive who is responsible for strategic and operational management.
- its Committees: The Board had committees with responsibility for Employment and Finance, Strategic Performance, Audit, Nominations and Remuneration. The Academic Board, chaired by the Vice-Chancellor and Chief Executive, makes reports to the Board of Governors. Following a Review of Committees during 2023-24 the responsibilities of Employment and Finance Committee have been allocated to new Finance and Resources and People Committees for 2024-25.

The Board and/or its Committees oversee, via routine reports, Northumbria's corporate governance arrangements and the adequacy and effectiveness of related arrangements for compliance with legal and regulatory matters (including OfS registration conditions), risk management and internal controls, including those relating to the regularity and propriety of the use

of public funding. Measures taken to ensure the regularity and propriety of the use of public funding include:

- clear remits of the Board of Governors and its Committees;
- clear Financial Regulations which include a Delegated Authority Matrix, and working to the highest standards of openness, integrity and accountability via the seven Principles of Public Life;
- a suite of policies on counter fraud and bribery, anti-money laundering, gifts and hospitality, and travel and expenses;
- procedures that ensure appropriate segregation of duties;
- annual external audit of financial statements;
- annual internal audit plan which includes a routine audit of core financial controls;
- appropriate data assurance arrangements for external data returns;
- research grant audits (where publicly funded).



The role of each Committee of the Board of Governors, and the Academic Board, is summarised below:

| Committee                               | Role/responsibilities   |
|---|---|
| <b>Employment and Finance Committee</b> | <ul style="list-style-type: none"> <li>Approves and monitors employment strategy and policy, finance strategy, estates, IT and other capital projects to support the University Strategy 2030.</li> </ul>   |
| <b>Strategic Performance Committee</b>  | <ul style="list-style-type: none"> <li>Advisory role to the University Executive and the Board of Governors in relation to performance against the University Strategy 2030, and the related strategic plans.</li> </ul>  |
| <b>Remuneration Committee</b>           | <ul style="list-style-type: none"> <li>Oversight of the remuneration policy and remuneration of senior staff.</li> <li>Determines base pay decisions of senior staff.</li> </ul>  |
| <b>Audit Committee</b>                  | <ul style="list-style-type: none"> <li>Provides assurance to the Board of Governors on the adequacy of the University's framework for financial compliance and integrity.</li> <li>Oversight of internal and external audit arrangements.</li> <li>Oversight of the wider control and compliance environment including risk management, value for money, data quality and assurance arrangements, health, safety and wellbeing measures and whistleblowing. Audit Committee complies with the HE Audit Committees Code of Practice published by CUC in May 2020.</li> </ul> |
| <b>Nominations Committee</b>            | <ul style="list-style-type: none"> <li>Oversight of corporate governance arrangements, including Governor recruitment and development.</li> <li>Makes recommendations to the Board on its membership and that of its Committees.</li> </ul>   |
| <b>Academic Board</b>                   | <ul style="list-style-type: none"> <li>Advises the Vice-Chancellor and Chief Executive on matters of academic strategy and policy, and (although not a Committee of the Board) makes reports to the Board of Governors.</li> <li>Remit includes academic quality and standards and enhancement, the student experience and research and innovation activities.</li> <li>Sub-committees oversee education, research, knowledge exchange and international policy and performance matters.</li> </ul>   |

Information on Northumbria's Leadership and Governance arrangements is publicly available on the University website, and queries can be raised with the Secretary to the Board. Further transparency is provided via the University's Register of Interests for Governors and senior staff members.

The arrangements described in this statement apply to the period covered by this Annual Report and Financial Statements and up to the date of approval.

#### Trade Union Facility Time for the period 1 April 2023 to 31 March 2024

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017 and places a legislative requirement on relevant public sector employers, including HEIs in England and Scotland, to 'collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation'.

Facility time is defined in the Regulations as 'the provision of paid or unpaid time from an employee's normal role to undertake Trade Union duties and activities as a Trade Union representative'. We are required to publish a range of data on the amount and cost of facility time within our organisation, which is shown in the tables.

#### Total number of employees who were relevant union officials during the period 1 April 2023 to 31 March 2024

| Number of employees who were relevant union officials during the relevant period | Full-time equivalent employee number |
|--|--------------------------------------|
| 38   | 36.83                                |

#### Employees who were relevant union officials employed during the period spent 0%, 1%-50%, 51%-99% or 100% of their working hours on facility time

| Percentage of time | Number of Employees |
|--------------------|---------------------|
| 0%                 | 1                   |
| 1-50%              | 36                  |
| 51-99%             | 1                   |
| 100%               | 0                   |

#### The percentage of the total pay bill spent on facility time

|   |              |
|---|--------------|
| Total cost of facility time                             | £227,058.62  |
| Total pay bill  | £209,732,333 |
| Percentage of the total pay bill spent on facility time | 0.11%        |

#### Hours spent by employees who were relevant union officials during the period on paid trade union activities as a percentage of total paid facility time hours

| (Total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100 |
|--|
| 12.45%   |



# STATEMENT OF INTERNAL CONTROL

2023/24

**The Statement of Internal Control (SIC) has been produced in line with the OfS Regulatory Advice Note 9: Accounts Direction and is informed by the British Universities Finance Directors Group (BUFDG) guidance and best practice in other sectors. This Statement confirms that the Board understands and applies its responsibility for ensuring that a sound system of internal control and robust risk management arrangements are maintained, and that it reviews their effectiveness through Audit Committee. The Audit Committee is informed by a range of assurance sources, including internal and external audit as well as direct reports from University Executive on risk and control matters.**

In line with OfS requirements and the CUC Higher Education Code of Governance (September 2020), the Board of Governors has received assurance that an effective system for managing risk is in place across the University. The Board and the University Executive set the tone for risk management across the University, through their respective oversight and ownership of strategic risks related to the full range of business, financial, operational and compliance activities.

The University's Risk Management Policy can be found on the University's website. In line with this Policy, Strategic Risks, which are discussed in the Principal Uncertainties section of this report, are reviewed periodically at Board and key Board Committees to ensure that the latest sector insight and agenda items inform the overall risk profile and understanding of the changing context that influences them and the related mitigations. All risks are anchored to related strategic objectives to ensure all efforts to manage risk are appropriately focused on achieving Northumbria's objectives. A suite of Risk Registers across the University allows risks to be identified, managed, and escalated as appropriate. Risks may also be identified through internal incident and near miss reporting arrangements and knowledge of incidents in the HE and other sectors.

Northumbria's approach to internal control is risk-based, and we acknowledge that internal control systems cannot eliminate all risks or control weaknesses or failures. Our business continuity arrangements and critical incident planning are therefore crucial elements of our approach to managing risks that may occur and to maintaining appropriate internal controls that respond to such situations.

## A suite of Risk Registers across the University allows risks to be identified, managed, and escalated as appropriate.

The Board has received assurance, through reports from the University Executive and through its Audit Committee, on its internal control environment. The Internal Audit opinion provides reasonable assurance that Northumbria University has adequate



and effective arrangements to achieve management's objectives over risk management, control and governance, and economy, efficiency and effectiveness (value for money) arrangements.

The arrangements described above apply to the period covered by the financial statements and the period up to the date of approval of the audited financial statements.





# STATEMENT OF BOARD OF GOVERNORS' RESPONSIBILITIES

## IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

# 2023/24

### STATEMENT OF BOARD OF GOVERNORS'S RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE 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.

It is required to prepare 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 requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

The Board of Governors is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the Group and parent University financial statements, the Board of Governors is 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 it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

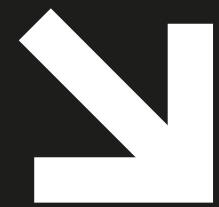
The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors is 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;
- income has been applied in accordance with the University's Articles of Government funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them;
- 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 attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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.





# ANNUAL REMUNERATION STATEMENT

## 2023/24

**This Annual Remuneration Statement 2023/24 complies with the Higher Education Senior Staff Remuneration Code, published by the CUC in 2021, and the Office for Students' Regulatory Advice 9: Accounts Direction. The Statement is a feature of the University's Annual Report and Financial Statements 2023/24.**

**The Remuneration Committee's remit and membership** for 2023/24 is available on the University's website.

### **Approach to senior staff remuneration at Northumbria University**

The CUC Higher Education Senior Staff Remuneration Code requires adherence to the following principles:

- a fair, appropriate and justifiable level of remuneration;
- procedural fairness; and
- transparency and accountability.

The Remuneration Committee aspires for the University's governance framework and arrangements for senior staff remuneration to be modern, progressive and at the forefront of best practice in the HE sector. The Vice-Chancellor and Chief Executive is not a member of the Committee and has no role in discussing or determining his own salary or wider remuneration.

The University's approach to senior staff remuneration is considered appropriate to support our University Strategy, our financial sustainability and our culture, values and behaviours. Remuneration is one of a number of influential factors in the recruitment, retention and recognition of a high quality and diverse workforce and supports the University's aim to be an Employer of Choice. Senior staff remuneration levels at Northumbria are set in the context of the significant ambition and achievements of the University, operating as it does in an intensely competitive global economy. The success of the University reflects the contributions of all staff at Northumbria. Notwithstanding this, the leadership and

direction of senior management drive its achievements.

The University's Senior Staff Remuneration Policy sets out how salaries and benefits for senior staff are determined and reviewed.

### **Assessing and determining the Vice-Chancellor and Chief Executive's remuneration**

As its evidence base for considering the Vice-Chancellor and Chief Executive's salary and benefits, Remuneration Committee draws on a range of benchmarks and comparative data including:

- UCEA Remuneration Survey Data of all HEIs, and disaggregated data for HEIs based on turnover, and the median, mean, upper quartile and upper decile analysis of salary levels.
- CUC salary data and length of service for heads of institutions of a similar type, size and scale and for those in Northern HEIs.
- publicly available data on pay ratios as published in each HEI's annual financial statements for the heads of institution of a similar type, size and scale, for those performing similarly in terms of research and teaching, and for those in HEIs in the Northern region.



Below is a breakdown of the Vice-Chancellor and Chief Executive's remuneration for 2023/24 (and 2022/23 for comparative purposes):

| AUDITED INFORMATION  | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|--|-------------------------|-------------------------|
|  | £'000                   | £'000                   |
| <b>Emoluments of the Vice-Chancellor and Chief Executive</b> |                         |                         |
| Salary   | 262.5                   | 250.0                   |
| Payments in lieu of pension contributions*                   | 5.0                     | -                       |
| Benefits in kind   | 3.0                     | 2.0                     |
| Relocation Allowance**                                       | 8.0                     | -                       |
|  | <b>278.5</b>            | 252.0                   |
| Pension contributions  | 39.0*                   | 54.0                    |
|  | <b>317.5</b>            | 306.0                   |

\*The Vice-Chancellor and Chief Executive, Professor Andy Long, is enrolled in the Universities Superannuation Scheme (USS). Employer contributions were fixed at 21.6% between 1 August 2023 and 31 December 2023 and at 14.5% from 1 January 2024. Professor Long partially opted out of the USS from 1 April 2024 and therefore received payments in lieu of employer pension contributions under the University policy at a rate of 13% on the opted out element.

\*\*Andy Long received a one off payment of £8k in March 2024 to contribute towards his relocation costs in line with the Relocation Policy. This assistance is available to all employees that meet the eligibility criteria and is made following evidence of expenses incurred.

The pay ratios of the Vice-Chancellor and Chief Executive to the median salary of all employees are calculated in line with the Office for Students' account direction and UCEA methodology.

| AUDITED INFORMATION             | Definition   | Headline calculation  | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|---------------------------------|--|---|-------------------------|-------------------------|
|                                 |  |   | Ratio                   | Ratio                   |
| <b>Base salary ratio</b>        | The Vice-Chancellor and Chief Executive's basic salary as a ratio of the median basic salary of all staff expressed as full-time equivalent  | £262.5k: highest base salary (Vice-Chancellor and Chief Executive)<br>£44.3k: median staff base salary            | 5.9                     | 6                       |
| <b>Total remuneration ratio</b> | The Vice-Chancellor and Chief Executive's total remuneration as a ratio of the median total remuneration of all staff. The total remuneration includes basic salary, pension contributions, supplement in lieu of pension contributions, annual performance based reward and excludes benefits in kind | £317.5k: total remuneration of the Vice-Chancellor and Chief Executive<br>£48.5k: median staff total remuneration | 6.5                     | 6.3                     |

**Base pay of University Executive and the Senior Management Group (SMG)**

On an annual basis Remuneration Committee reviews the salary levels of all members of the University Executive and Senior Management Group, on the recommendation of the Vice-Chancellor and Chief Executive to Remuneration

Committee taking into account a review of relevant sector and market pay data.

The total base pay of the University Executive members, who are defined for reporting terms as the 'key management personnel', is provided in the table below and provides a comparison between 2023/24 and 2022/23:

| Key management personnel compensation (i.e. remuneration)<br>AUDITED INFORMATION | Consolidated            |                         |
|--|-------------------------|-------------------------|
|  | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|  | £'000                   | £'000                   |
|  | <b>2,572</b>            | 2,515                   |

The base salaries of higher paid staff are provided in the table below in £5k bands over £100k as required by the OfS Accounts Direction.

There are five (2023: five) members of staff who earn more than £100k and were not members of University Executive or the Senior Management Group at any point in the year.

<sup>1</sup> Defined as those persons having authority and responsibility for planning, directing and controlling the activities of the University. The Vice-Chancellor and Chief Executive has the overarching responsibility for maintaining and promoting the institution's efficiency, academic excellence and financial robustness. He is supported by the University Executive which has overall responsibility for delivery of the University Strategy. The University Executive advises the Vice-Chancellor and Chief Executive in his strategic, policy and executive management responsibilities, co-ordinating and integrating activities through individual portfolios of responsibility and the recommendations collectively made or supported by the Executive group.



## AUDITED INFORMATION

|  | Consolidated |         | 2022/23 |
|--|--------------|---------|---------|
|  | Staff FTE    | 2023/24 |         |
| <b>Remuneration of other higher paid staff</b> |              |         |         |
| £100,000 – £104,999                            |              | 3       | 3       |
| £110,000 – £114,999                            |              | 0       | 3       |
| £115,000 – £119,999                            |              | 3       | 0       |
| £125,000 – £129,999                            |              | 1       | 1       |
| £130,000 – £134,999                            |              | 0       | 1       |
| £140,000 – £144,999                            |              | 1       | 12      |
| £145,000 – £149,999                            |              | 9       | 0       |
| £150,000 – £154,999                            |              | 2       | 0       |
| £155,000 – £159,999                            |              | 1       | 0       |
| £160,000 – £164,999                            |              | 1       | 0       |
| £175,000 – £179,999                            |              | 0       | 1       |
| £180,000 – £184,999                            |              | 1       | 0       |
| £250,000 – £254,999                            |              | 0       | 1       |
| £260,000 – £264,999                            |              | 1       | 0       |

### Compensation for loss of office (AUDITED INFORMATION)

A total amount of £3.6m (2022/23: £0.2m) was charged to the statement of comprehensive income and expenditure in relation to 180 individuals 2022/23: (24 individuals) as compensation for loss of office (excluding payments in lieu of notice).

### External appointments and expenses

The Vice Chancellor and Chief Executive must seek approval for any proposed external appointments from the Chair of the Board of Governors. Other members of the University Executive and Senior Management Group must seek approval from the Vice-Chancellor for any proposed remunerated external appointments and, along with all members of the Board of Governors, are required to disclose all relevant interests on the University's Register of Interests.

Senior staff, as with all staff, must comply with the University's Travel and Expenditure Policy which requires the reasonable, proportionate and accountable use of expenses, noting that these are incurred solely for business purposes and are wholly separate from remuneration. All expenses incurred by the Vice-Chancellor and Chief Executive, University Executive and Senior Management Group are wholly and exclusively for approved University business with the aim of enhancing the outcomes for students and staff. Services are procured in accordance with the University's Financial Regulations. Expenses incurred by the Vice-Chancellor and Chief Executive are subject to approval by the Chair of the Board of Governors, with all other expenses for University Executive and Senior Management Group members approved by the relevant line manager. The University discloses information as requested under Freedom of Information (FoI) in relation to senior staff expenses.

### Other Remuneration Matters (AUDITED INFORMATION)

In accordance with the Articles of Government and informed by Charity Commission advice, the Board of Governors has the power to remunerate the Chair of the Board and Chairs of Committees for their services as Governors. Governors who are also employees or students of the University are not entitled to claim such remuneration. This is supported by a Governor/Trustee Remuneration Policy approved by the Board of Governors on 26 June 2023 (with those Governors who were beneficiaries of it exempt from voting).

During 2023/24 the following Governors were remunerated:

**Dr Roberta Blackman-Woods**, Pro Chancellor, Chair of the Board of Governors and Chair of Nominations Committee - £26,250

**Helen Thorne MBE**, Independent Governor and Chair of Audit Committee - £3,281 (Remunerated from February 2024)

**Helen Fairfoul OBE**, Pro Chancellor, Independent Governor and Chair of Employment and Finance Committee - £7,875

**Peter Judge MBE**, Pro Chancellor, Senior Independent Governor and Chair of the Remuneration Committee - £7,875

**Craig Apsey**, Independent Governor and Chair of Strategic Performance Committee (August 2023) - £656

**Dr Stuart Fancey**, Independent Governor and Chair of Strategic Performance Committee (from September 2023) - £7,219

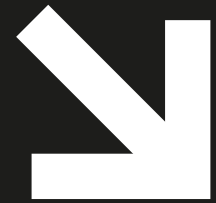
All payments made have been duly approved by the Board of Governors with remuneration offered to Governors/Trustees serving as Governors/Trustees authorised by the University's Articles of Government, as approved and in accordance with Charity Commission advice.

The Chancellor of the University receives no remuneration for the extensive ambassadorial role she plays on behalf of the University.

All Governors are entitled to reimbursement of expenses incurred directly in attending meetings or other direct Board and Committee-related events, provided that the claim is in accordance with the Financial Regulations, including the production of relevant receipts. In 2023/24, two Governors claimed expenses totalling £6,698 (2022/23: eight Governors claimed expenses totalling £5,356).







# REGISTER OF GOVERNORS AND PROFESSIONAL ADVISORS

2023/24

## The Chancellor

The Baroness Grey-Thompson DBE, DL.

## The Board of Governors

The Governors are the Trustees of the University, and the Board is the Trustee Board of the University as an exempt charity under the terms of the Charities Act 2011.

**Craig Apsey**<sup>2</sup> (Independent Governor)

**Dr Birju Bartoli** (Independent Governor)

**Professor Dame Janet Beer**<sup>3</sup> (Independent Governor)

**Livia (Liv) Bird**<sup>4</sup> (Student Governor)

**Dr Roberta Blackman-Woods** (Independent Governor, Pro-Chancellor and Chair of the Board)

**James Bromiley**<sup>5</sup> (Independent Governor)

**Dr Laura Brown** (Academic Staff Governor)

**Helen Fairfoul OBE** (Independent Governor and Pro-Chancellor)

**Dr Stuart Fancey** (Independent Governor)

**Katherine Fawcett** (Professional Services Staff Governor)

**Alison Fellows**<sup>6</sup> (Independent Governor)

**Sophie Haagensen** (Independent Governor)

**Peter Judge MBE** (Senior Independent Governor and Pro-Chancellor)

**Hassan Kajee** (Independent Governor, Pro-Chancellor and Deputy Chair of the Board)

**Mark Larsen** (Independent Governor)

**Professor Andrew (Andy) Long** (Vice-Chancellor and Chief Executive)

**Ita McCrory**<sup>7</sup> (Student Governor)

**Professor James McLaughlin** (Co-opted Governor)

**Elizabeth (Libby) Orme** (Staff Governor nominated by Academic Board)

**Sally Pelham**<sup>8</sup> (Independent Governor, Pro-Chancellor and Deputy Chair of the Board)

**Nerius Shah**<sup>9</sup> (Student Governor)

**Arushi Sinha**<sup>10</sup> (Student Governor)

**Jan Thompson** (Independent Governor)

**Helen Thorne MBE** (Independent Governor)

**Ian Wilkin** (Independent Governor)

**Jan Thompson** (Independent Governor)

Secretary to the Board of Governors: **Georgina Bailes**

<sup>2</sup> Term of Office ended 31 August 2023

<sup>3</sup> From 1 December 2023

<sup>4</sup> Term of Office ended 30 June 2024

<sup>5</sup> Term of Office ended 18 December 2023

<sup>6</sup> From 1 December 2023

<sup>7</sup> From 1 July 2024

<sup>8</sup> Term of Office ended 18 December 2023

<sup>9</sup> Term of Office ended 30 June 2024

<sup>10</sup> From 1 July 2024

<sup>11</sup> From 1 December 2023



Membership the Committees of the Board in 2023/24 is provided below:

**Audit Committee**

**James Bromiley<sup>1</sup> (Chair)**  
**(Term of Office ended 18 December 2023)**

**Helen Thorne MBE<sup>2</sup> (Chair)**

Peter Judge MBE

Sally Pelham

Ian Wilkin<sup>3</sup>

Alasdair Corfield<sup>4</sup> (Co-opted Member)

John Hudson (Co-opted Member)

Alison Fellows<sup>5</sup>

**Nominations Committee**

**Dr Roberta Blackman-Woods (Chair)**

Craig Apsey<sup>6</sup>

James Bromiley<sup>7</sup>

Helen Fairfoul OBE

Dr Stuart Fancey<sup>8</sup>

Peter Judge MBE

Professor Andy Long

Helen Thorne MBE<sup>9</sup>

**Strategic Performance Committee**

**Craig Apsey<sup>10</sup> (Chair)**

**Stuart Fancey<sup>11</sup> (Chair)**

Dr Birju Bartoli

Liv Bird<sup>12</sup>

Dr Roberta Blackman-Woods

Katherine Fawcett

Sophie Haagensen

Professor Andy Long

Adam Parker (Co-opted Member)

**Employment and Finance Committee**

**Helen Fairfoul OBE (Chair)**

Dr Roberta Blackman-Woods

Helen Colclough<sup>13</sup> (Co-opted Member)

Hassan Kajee

Mark Larsen

Professor Andy Long

Ian Wilkin<sup>14</sup>

Libby Orme (Observer)

Sally Pelham<sup>15</sup> (Observer)

Nerius Shah<sup>16</sup> (Observer)

David Pearson<sup>17</sup> (Co-opted Member)

**Remuneration Committee**

**Peter Judge MBE (Chair)**

Dr Roberta Blackman-Woods

Helen Fairfoul OBE

Graeme Hudson (Co-opted Member)

<sup>1</sup> To 18 December 2023

<sup>2</sup> From 19 December 2023

<sup>3</sup> From 12 February 2024

<sup>4</sup> To 12 February 2024

<sup>5</sup> From 12 February 2024

<sup>6</sup> To 31 August 2023

<sup>7</sup> To 18 December 2023

<sup>8</sup> From 1 September 2024

<sup>9</sup> From 19 December 2023

<sup>10</sup> To 31 August 2023

<sup>11</sup> From 1 September 2023

<sup>12</sup> Term of Office ended 30 June 2024

<sup>13</sup> To 31 July 2024

<sup>14</sup> To 11 February 2023

<sup>15</sup> Term of Office ended 18 December 2023

<sup>16</sup> Term of Office ended 30 June 2024

<sup>17</sup> To 20 May 2024







# REGISTER OF INTERESTS

2023/24

Entries in the Register of Governors' interests are reviewed annually, and as required for new appointments to the Board; the register is maintained by the Secretary to the Board of Governors. This may be accessed on the Governance Services webpages of the University's website, or by contacting the address below:

Secretary to the Board of Governors  
c/o Vice-Chancellor's Office  
Sutherland Building  
College Street  
Newcastle upon Tyne  
NE1 8ST

Telephone +44 (0)191 227 4222

#### **External auditor**

KPMG LLP  
1 Sovereign Square  
Sovereign Street  
Leeds  
LS1 4DA

#### **Internal auditor**

PricewaterhouseCoopers LLP (PwC)  
1 Embankment Place  
London  
WC2N 6RH

#### **Bankers**

##### **Barclays Bank plc**

49-51 Northumberland Street  
Newcastle upon Tyne  
NE1 7AF

##### **Bank of Scotland**

Corporate Banking  
3rd Floor, Earl Grey House  
75 Grey Street  
Newcastle upon Tyne  
NE1 6EF

##### **Handelsbanken**

Earl Grey House  
75 Grey Street  
Newcastle upon Tyne  
NE1 6EF

##### **HSBC**

Floor 3, Central Square South  
Orchard Street  
Newcastle upon Tyne  
NE1 3AZ

##### **Nationwide Building Society**

Kings Park Road  
Moulton Park  
Northampton  
NN3 6NW

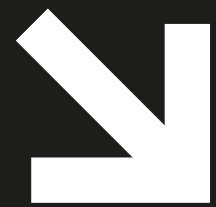
##### **Santander UK plc**

Level 9 Baltic Place  
South Shore Road  
Gateshead  
NE8 3AE

##### **ABN AMRO Bank N.V.**

Foppingadreef  
22 Amsterdam  
BO-number 3069.63





# INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF GOVERNORS OF NORTHUMBRIA UNIVERSITY

# 2023/24

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of Northumbria University ("the University") for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheets, the Consolidated and University Cash Flow Statement, Statement of principal accounting policies and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going concern

The Board of Governors has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Board of Governors conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

#### Our conclusions based on this work:

- we consider that the Board of Governors use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Board of Governors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

#### Fraud and breaches of laws and regulations – ability to detect

##### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of governors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, and the public interest disclosure "whistleblowing" policy as well as whether they have knowledge of any actual, suspected or alleged fraud.



- Reading Board and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees relating to courses that span the year end are recorded in the wrong period and the risk that the University's management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, journals posted by irregular users or to seldom used accounts and journals posted to unusual accounts those posted by senior finance management.
- We sample tested tuition fee income for courses that spanned the year end of 31 July 2024 to supporting documentation to test that revenue had been recorded in the correct period.

**Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the management (as required by auditing standards) and discussed with the management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation and specific disclosures required by higher education legislation and regulation, charities legislation and related legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with Higher Education regulatory requirements of the Office for Students recognising the regulated nature of the University's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the governors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The Board of Governors is responsible for the other information, which comprises the Vice-Chancellor and Chief Executive's Foreword, the Chair's Introduction, the University Achievements at a Glance, the Vision Strategy and Impact, the Operating and Financial Review, the Principal uncertainties and how we respond to them, the Public Benefit Role, the Statement of Corporate Governance and the Statement of Internal Control, the Annual Remuneration Statement and Register of Governors and Professional Advisers.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

**Board of Governors responsibilities**

As explained more fully in its statement set out on page 43 the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**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 University 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 Government for post 1992 institutions;
- 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; and
- the financial statements meet the requirements of the Accounts Direction.



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

We are required by the Accounts Direction to report to you where the University 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 Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 10 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 University's grant and fee income, as disclosed in note 3 to the financial statements has been materially misstated.

We have nothing to report in these respects.

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Board of Governors in accordance with paragraph 13(2)] of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



**Michael Wilkie for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
KPMG LLP  
319 St Vincent Street  
Glasgow  
G2 5AS

18 December 2024







# FINANCIAL STATEMENTS

# 2023/24

## CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

YEAR ENDED 31 JULY 2024

|   | Note  | Year Ended 31 July 2024 |                     | Year Ended 31 July 2023 |                     |
|---|-------|-------------------------|---------------------|-------------------------|---------------------|
|   |       | Consolidated<br>£'000   | University<br>£'000 | Consolidated<br>£'000   | University<br>£'000 |
| <b>Income</b>   |       |                         |                     |                         |                     |
| Tuition fees and education contracts  | 1     | 275,589                 | 230,070             | 288,972                 | 240,742             |
| Funding body grants   | 2     | 36,392                  | 36,392              | 32,964                  | 32,964              |
| Research grants and contracts   | 4     | 18,035                  | 18,035              | 16,360                  | 16,360              |
| Other income  | 5     | 41,841                  | 45,394              | 37,697                  | 42,396              |
| Investment income   | 6     | 5,305                   | 4,918               | 5,036                   | 4,756               |
| Donations and endowments  | 7     | 455                     | 455                 | 1,074                   | 1,074               |
| <b>Total income</b>   |       | <b>377,617</b>          | <b>335,264</b>      | 382,103                 | 338,292             |
| <b>Expenditure</b>  |       |                         |                     |                         |                     |
| Staff costs   |       |                         |                     |                         |                     |
| Before exceptional pension costs  | 8     | 217,402                 | 217,461             | 211,755                 | 210,637             |
| Exceptional pension debit/(credit)  | 8     | (11,032)                | (11,032)            | (1,460)                 | (1,460)             |
| <b>Total staff costs</b>  |       | <b>206,370</b>          | <b>206,429</b>      | 210,295                 | 209,177             |
| Other operating expenses  |       | 138,746                 | 104,355             | 133,757                 | 105,691             |
| Depreciation and amortisation   | 15,16 | 22,100                  | 22,100              | 20,353                  | 20,353              |
| Interest and other finance costs  | 11    | 868                     | 868                 | 4,990                   | 4,990               |
| <b>Total expenditure</b>  |       | <b>368,084</b>          | <b>333,752</b>      | 369,395                 | 340,211             |
| <b>Surplus/(deficit) before tax</b>   |       | <b>9,533</b>            | <b>1,512</b>        | 12,708                  | (1,919)             |
| Taxation  | 12    | (2,079)                 | -                   | (2,910)                 | (137)               |
| <b>Surplus/(deficit) for the year</b>                                       |       | <b>7,454</b>            | <b>1,512</b>        | 9,798                   | (2,056)             |
| Actuarial gain/(loss) in respect of pensions                                | 26    | 13,744                  | 13,744              | 107,484                 | 107,484             |
| Surplus restriction on Defined benefit pension scheme                       | 26    | (49,310)                | (49,310)            |                         |                     |
| Reclassification of hedging financial instruments                           | 27    | -                       | -                   | 8,279                   | 8,279               |
| Exchange differences on translation of foreign operations                   |       | 14                      | -                   | 15                      | -                   |
| <b>Total comprehensive income (expense) for the year</b>                    |       | <b>(28,098)</b>         | <b>(34,054)</b>     | 125,576                 | 113,707             |
| <b>Represented by</b>   |       |                         |                     |                         |                     |
| Unrestricted comprehensive income/(expense) for the year                    |       | (28,070)                | (34,026)            | 124,760                 | 112,901             |
| Restricted comprehensive income/(expense) for the year                      |       | (28)                    | (28)                | 816                     | 816                 |
| <b>Surplus for the year attributable to:</b>                                |       |                         |                     |                         |                     |
| Non-controlling interest  |       | 6,237                   |                     | 10,432                  |                     |
| University  |       | 1,217                   |                     | (634)                   |                     |
| <b>Total comprehensive (expense) / income for the year attributable to:</b> |       |                         |                     |                         |                     |
| Non-controlling interest  |       | 6,237                   |                     | 10,432                  |                     |
| University  |       | (34,335)                |                     | 115,144                 |                     |

All items of income and expenditure relate to continuing activities.



**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2024**

|  | Note | Income and expenditure account |              | Hedging reserve<br>£'000 | Non-controlling interest<br>£'000 | Total<br>£'000 |
|--|------|--------------------------------|--------------|--------------------------|-----------------------------------|----------------|
|  |      | Unrestricted                   | Restricted   |                          |                                   |                |
|  |      | £'000                          | £'000        |                          |                                   |                |
| <b>Balance at 1 August 2022</b>  |      | <b>267,291</b>                 | <b>394</b>   | <b>(8,279)</b>           | <b>2,465</b>                      | <b>261,871</b> |
| Surplus/(deficit) from the statement of comprehensive income and expenditure |      | (1,450)                        | 816          | -                        | 10,432                            | 9,798          |
| Actuarial gains on pension schemes   | 26   | 107,484                        | -            | -                        | -                                 | 107,484        |
| Reclassification of hedging financial instruments                            | 27   | -                              | -            | 8,279                    | -                                 | 8,279          |
| Exchange differences on translation of foreign operations                    |      | 15                             | -            | -                        | -                                 | 15             |
| Total comprehensive income for the year                                      |      | 106,049                        | 816          | 8,279                    | 10,432                            | 125,576        |
| <b>Balance at 31 July 2023</b>   |      | <b>373,340</b>                 | <b>1,210</b> | <b>-</b>                 | <b>12,897</b>                     | <b>387,447</b> |
| Surplus/(deficit) from the statement of comprehensive income and expenditure |      | 1,245                          | (28)         | -                        | 6,237                             | 7,454          |
| Actuarial gains on pension schemes   | 26   | 13,744                         | -            | -                        | -                                 | 13,744         |
| Restriction of surplus on defined benefit pension scheme                     |      | (49,310)                       | -            | -                        | -                                 | (49,310)       |
| Exchange differences on translation of foreign operations                    |      | 14                             | -            | -                        | -                                 | 14             |
| Total comprehensive income for the year                                      |      | (34,307)                       | (28)         | -                        | 6,237                             | (28,098)       |
| Dividend Declared from NCI   |      | -                              | -            | -                        | (15,256)                          | (15,256)       |
| <b>Balance at 31 July 2024</b>   |      | <b>339,033</b>                 | <b>1,182</b> | <b>-</b>                 | <b>3,878</b>                      | <b>344,093</b> |

**UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2024**

|  | Note | Income and expenditure account |              | Hedging reserve<br>£'000 | Total<br>£'000 |
|--|------|--------------------------------|--------------|--------------------------|----------------|
|  |      | Unrestricted                   | Restricted   |                          |                |
|  |      | £'000                          | £'000        |                          |                |
| <b>Balance at 1 August 2022</b>  |      | <b>269,649</b>                 | <b>394</b>   | <b>(8,279)</b>           | <b>261,764</b> |
| Surplus /deficit from the statement of comprehensive income and expenditure  |      | (2,872)                        | 816          | -                        | (2,056)        |
| Actuarial gains on pension schemes   | 26   | 107,484                        | -            | -                        | 107,484        |
| Change in fair value of hedging financial instruments                        | 27   | -                              | -            | 8,279                    | 8,279          |
| Total comprehensive income for the year                                      |      | 104,612                        | 816          | 8,279                    | 113,707        |
| <b>Balance at 1 August 2023</b>  |      | <b>374,261</b>                 | <b>1,210</b> | <b>-</b>                 | <b>375,471</b> |
| Surplus/(deficit) from the statement of comprehensive income and expenditure |      | 1,540                          | (28)         | -                        | 1,512          |
| Actuarial gains on pension schemes   | 26   | 13,744                         | -            | -                        | 13,744         |
| Restriction of surplus on defined benefit pension scheme                     |      | (49,310)                       | -            | -                        | (49,310)       |
| Total comprehensive income for the year                                      |      | (34,026)                       | (28)         | -                        | (34,054)       |
| <b>Balance at 31 July 2024</b>   |      | <b>340,235</b>                 | <b>1,182</b> | <b>-</b>                 | <b>341,417</b> |

**CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2024**

|  | Note  | As at 31 July 2024 |                 | As at 31 July 2023 |            |
|--|-------|--------------------|-----------------|--------------------|------------|
|  |       | Consolidated       | University      | Consolidated       | University |
|  |       | £'000              | £'000           | £'000              | £'000      |
| <b>NON-CURRENT ASSETS</b>                                |       |                    |                 |                    |            |
| Investments  | 13,14 | <b>189</b>         | <b>190</b>      | 160                | 161        |
| Intangible assets  | 15    | <b>18,310</b>      | <b>18,310</b>   | 15,228             | 15,228     |
| Tangible fixed assets                                    | 16    | <b>315,764</b>     | <b>315,764</b>  | 306,672            | 306,672    |
| Defined benefit asset in the Tyne and Wear Pension Fund  | 26    | -                  | -               | 34,080             | 34,080     |
|  |       | <b>334,263</b>     | <b>334,264</b>  | 356,140            | 356,141    |
| <b>CURRENT ASSETS</b>                                    |       |                    |                 |                    |            |
| Stocks   |       | <b>6</b>           | <b>6</b>        | 6                  | 6          |
| Trade and other receivables                              | 17    | <b>48,434</b>      | <b>26,650</b>   | 72,555             | 33,561     |
| Investments  | 18    | -                  | -               | 35,000             | 35,000     |
| Cash and cash equivalents                                | 22    | <b>103,761</b>     | <b>102,675</b>  | 89,238             | 88,171     |
|  |       | <b>152,201</b>     | <b>129,331</b>  | 196,799            | 156,738    |
| Creditors – amounts falling due within one year          | 19    | <b>(97,240)</b>    | <b>(77,047)</b> | (106,368)          | (78,284)   |
| <b>NET CURRENT ASSETS</b>                                |       | <b>54,961</b>      | <b>52,284</b>   | 90,431             | 78,454     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>             |       | <b>389,224</b>     | <b>386,548</b>  | 446,571            | 434,595    |
| Creditors – amounts falling due after more than one year | 20    | <b>(40,525)</b>    | <b>(40,525)</b> | (43,825)           | (43,825)   |
| <b>Provisions</b>  |       |                    |                 |                    |            |
| Other pension provisions                                 | 21    | <b>(1,970)</b>     | <b>(1,970)</b>  | (12,863)           | (12,863)   |
| Other provisions   | 21    | <b>(2,636)</b>     | <b>(2,636)</b>  | (2,436)            | (2,436)    |
| <b>TOTAL NET ASSETS</b>                                  |       | <b>344,093</b>     | <b>341,417</b>  | 387,447            | 375,471    |
| <b>Restricted reserves</b>                               |       |                    |                 |                    |            |
| Income and expenditure reserve - Restricted              |       | <b>1,182</b>       | <b>1,182</b>    | 1,210              | 1,210      |
| <b>Unrestricted reserves</b>                             |       |                    |                 |                    |            |
| Income and expenditure reserve - Unrestricted            |       | <b>339,033</b>     | <b>340,235</b>  | 373,340            | 374,261    |
| Non-controlling interest                                 |       | <b>3,878</b>       | -               | 12,897             | -          |
|  |       | <b>344,093</b>     | <b>341,417</b>  | 387,447            | 375,471    |

The financial statements on pages 63 to 103 were approved by the Board of Governors on 27 November 2024 and signed on 12 December 2024 by:



**Dr Roberta Blackman-Woods**  
Chair of the Board of Governors



**Professor Andy Long**  
Vice-Chancellor and Chief Executive



**Leon Mayfield**  
Chief Financial Officer



**CONSOLIDATED AND UNIVERSITY STATEMENTS OF CASH FLOWS  
YEAR ENDED 31 JULY 2024**

|   | Note | As at 31 July 2024    |                     | As at 31 July 2023    |                     |
|---|------|-----------------------|---------------------|-----------------------|---------------------|
|   |      | Consolidated<br>£'000 | University<br>£'000 | Consolidated<br>£'000 | University<br>£'000 |
| <b>Cashflows from operating activities</b>                          |      |                       |                     |                       |                     |
| Surplus for the year  |      | 7,454                 | 1,512               | 9,798                 | (2,056)             |
| <b>Adjustments for non-cash items</b>                               |      |                       |                     |                       |                     |
| Depreciation of fixed assets  | 16   | 20,228                | 20,228              | 19,253                | 19,253              |
| Amortisation of intangible assets                                   | 15   | 1,872                 | 1,872               | 1,100                 | 1,100               |
| Pension adjustments   | 26   | 130                   | 130                 | 7,024                 | 7,024               |
| Decrease/(Increase) in debtors                                      | 17   | 23,856                | 6,648               | (14,922)              | (686)               |
| (Decrease)/Increase in creditors                                    |      | (24,119)              | (988)               | 1,979                 | (2,745)             |
| Increase/(decrease) in pension provisions                           | 21   | (10,901)              | (10,901)            | (1,702)               | (1,702)             |
| Increase/(decrease) in other provisions                             | 21   | 200                   | 200                 | 637                   | 637                 |
| Investment income   | 6    | (5,570)               | (5,183)             | (5,036)               | (4,756)             |
| Interest payable  | 11   | 868                   | 868                 | 4,990                 | 4,990               |
| Capital grant income  |      | (6,503)               | (6,503)             | (1,082)               | (1,082)             |
| Loss on translation of foreign subsidiary                           |      | -                     | -                   | -                     | -                   |
| Impairment of subsidiary  |      | -                     | 515                 | -                     | 3,373               |
| Impairment of asset   |      | 48                    | 48                  | 383                   | 383                 |
|   |      | 7,563                 | 8,446               | 22,422                | 23,733              |
| <b>Cashflows from investing activities</b>                          |      |                       |                     |                       |                     |
| Capital grants receipts   |      | 6,503                 | 6,503               | 1,082                 | 1,082               |
| Investment income receipts  |      | 5,570                 | 5,183               | 3,850                 | 3,570               |
| Payments made to acquire intangible assets                          |      | (7,025)               | (7,025)             | (9,982)               | (9,982)             |
| Payments made to acquire tangible fixed assets                      |      | (27,298)              | (27,298)            | (16,848)              | (16,848)            |
| Investment in subsidiary  |      | -                     | (515)               | -                     | (1,212)             |
| Investment in associate   |      | (29)                  | (29)                | -                     | -                   |
| Cash placed on deposit  | 18   | -                     | -                   | (21,000)              | (21,000)            |
| Cash released from deposit  | 18   | 35,000                | 35,000              | -                     | -                   |
|   |      | 12,721                | 11,818              | (42,898)              | (44,390)            |
| <b>Cashflows from financing activities</b>                          |      |                       |                     |                       |                     |
| Interest paid   |      | (2,461)               | (2,461)             | (2,504)               | (2,504)             |
| Repayments of amounts borrowed                                      | 20   | (3,300)               | (3,300)             | (3,300)               | (3,300)             |
|   |      | (5,761)               | (5,761)             | (5,804)               | (5,804)             |
| <b>Increase/(decrease) in cash and cash equivalents in the year</b> |      |                       |                     |                       |                     |
|   |      | 14,523                | 14,504              | (26,280)              | (26,461)            |
| Cash and cash equivalents at the beginning of the year              | 22   | 89,238                | 88,171              | 115,518               | 114,632             |
| Exchange differences on foreign translation                         |      | -                     | -                   | -                     | -                   |
| Cash and cash equivalents at the end of the year                    | 22   | 103,761               | 102,675             | 89,238                | 88,171              |







# STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

2023/24

**In accordance with FRS 102 'Accounting Policies', these accounting policies have been reviewed by the Board of Governors and are considered to be appropriate for the University's activities.**

## **Basis of preparation**

These 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 (2019), and comply with the Accounts Direction issued by the Office for Students. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets which are now held at deemed cost and derivative financial instruments which are held at fair value).

## **Going concern**

The activities of the Consolidated Group and University, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review on pages 20 to 24. This also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

As with any university, the Board of Governors must confirm that it has reasonable expectation that the University has adequate resources to continue in operation for the foreseeable future. Against the financial outlook above, the Board has confirmed this view, and the University continues to adopt the going concern basis for preparing the financial statements. In reaching this conclusion, the Board has reviewed the sustainability of the University and is satisfied that the strategies, plans and processes in place will help the University move towards the achievement of its strategy. In particular the Board has considered the environment in which the University is operating as an institution and considers the University to be financially sustainable, with key items providing assurance to the Board being:

- Regular reviews of performance, including via the annual budgets and five-year forecasts submitted to the OfS;
- Regular reviews of performance against budgets and forecasts, using net adjusted operating cashflow as a key performance indicator relevant to institutional financial sustainability;
- The University's strategic risk register, and the reporting on this via the Employment & Finance and the Audit Committees;
- Updates on compliance with the financial covenants of the University's lenders, Barclays plc, and of OfS; and
- Sensitivity analysis and scenario modelling to assess the impact of sector changes, revisions in government policy and variable student numbers.

## **Basis of consolidation**

The consolidated financial statements include the University and all its subsidiaries, together with the share of the results of material associates and joint ventures. The financial information of the subsidiaries, associates and joint ventures is prepared as of the same reporting date and consolidated using consistent accounting policies. Intercompany balances and transactions, including unrealised profits arising from intercompany transactions are eliminated in full.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal.

Subsidiaries are entities that meet the definition of control, as defined by FRS 102 section 9. Joint ventures are entities over which the University has joint control, established by contractual agreement. Investments in associates and joint ventures are accounted for using the equity method.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.



**Income recognition**

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure 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. The University will consider the substance of the arrangement to determine the appropriate accounting treatment. Education contracts are recognised when the Institution is entitled to income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

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

Government grants including funding body block grants, research grants from government sources and other grants and donations from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the Income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

**Capital grants**

Capital grants are recorded in income when the University is entitled to the income subject to any performance related conditions being met.

**Investment income**

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

**Borrowing costs**

Borrowing costs are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

**Exceptional items**

Exceptional items, being non-recurring items that are material by size and/or by nature, are presented within their relevant category in the Statement of Comprehensive Income and Expenditure but disclosed on a separate line. Events which may give rise to exceptional items include, but are not limited to, significant restructuring costs, significant impairments or pension movements linked to past service costs.

**Accounting for retirement benefits**

The four principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), the Tyne and Wear Pension Fund (TWPF) and the Universities and Colleges Retirement Savings Scheme (UCRSS). Of these schemes, TPS, USS and TWPF are defined benefit schemes which are externally funded, with each fund being valued every three years by professionally qualified independent actuaries.

Under the definitions set out in FRS 102 (28.11), the TPS and USS are multi-employer pension schemes, given they are schemes for entities not under common control and represent industry-wide schemes.

The University is unable to identify its share of the underlying assets and liabilities of the USS 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 scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer and hence there are no underlying assets and liabilities and accordingly, the University has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The University is able to identify its shares of assets and liabilities of the TWPF Local Government Pension Scheme (LGPS) and accordingly reports it as a defined benefit scheme.

UCRSS is a defined contribution scheme.

**Defined contribution scheme**

A defined contribution scheme is a post-employment benefit plan under which the company 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 Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employees.

The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in Consolidated Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements are also recognised as a provision.

**Defined benefit scheme**

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The only scheme which the University accounts for as a defined benefit scheme is TWPF. Under defined benefit plans, the University'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 University. The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current



and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future, through refunds from the plan or settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

### Employment benefits

#### Short term employee benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as an expense in the year they were earned.

#### Operating leases

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

#### Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of university entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations are translated to the group's presentational currency, Sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

#### Investments

Non-current investments, including investments in subsidiaries, jointly controlled entities and associates, are held on the University Balance Sheet at amortised cost less impairment.

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

#### Asset capitalisation policy

Assets are capitalised where they are capable of being used for a period that exceeds one year and which:

- Individually have a cost equal to or greater than £10,000; or
- Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost, form part of the initial equipping of a new building.

#### Tangible fixed assets

##### Cost (or deemed cost)

Freehold land and buildings and long leasehold buildings are stated at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and accumulated impairment losses. Costs incurred after initial purchase or construction in relation to freehold land and buildings and long leasehold buildings are capitalised to the extent that they increase the expected future benefits to the University.

Short leasehold improvements and equipment, including motor vehicles, computers, IT infrastructure and furniture are stated at cost less accumulated depreciation and accumulated impairment losses.

Assets under construction are stated at cost.

#### Depreciation

Freehold Land is not depreciated as it is considered to have an indefinite useful life. Depreciation on other assets is calculated using the straight-line method, to depreciate assets to their residual value over their estimated useful lives, as follows:

|  |  |
|--|--|
| <b>Freehold buildings</b>              | over period up to 50 years                                       |
| <b>Freehold refurbishments</b>         | over 10 years  |
| <b>Leasehold buildings</b>             | over the life of the lease up to 50 years                        |
| <b>Leasehold refurbishments</b>        | over the remaining life of the lease up to a maximum of 10 years |
| <b>Computers and IT infrastructure</b> | 3 years  |
| <b>Motor vehicles</b>                  | 4 years  |
| <b>All other equipment</b>             | 5 years  |

No depreciation is charged on assets under construction until they are available for use.

Depreciation methods, useful lives and residual values are reviewed annually.

#### Impairment

A review for potential impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the statement of comprehensive income and expenditure.

#### Intangible assets

Software and related costs (excluding any feasibility costs) are held at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets are capitalised once the development criteria established in FRS 102 section 18 have been met. Where tangible and intangible elements of an asset are incapable of separation, an assessment is made to determine which element is more significant and based on this the asset is either treated as a tangible or intangible asset.

Amortisation is calculated using the straight-line method, to amortise intangible assets to their residual value over their estimated useful lives, deemed to be between 3 to 5 years, or between 3 and 10 years for SaaS IT systems implementations.

Amortisation methods, useful lives and residual values are reviewed annually.

#### Assets held for sale

Assets held for sale are assets or groups of assets intended to be disposed of prior to their expected date of retirement. The asset continues to be depreciated but the asset's remaining life or residual value is amended to reflect its expected disposal date and expected value at this date. Such assets remain within the asset category within fixed/intangible assets.

#### Heritage assets

The University owns a number of works of art and artefacts which have been donated to the University. These amounts have not been capitalised as the University does not believe that they would have a material impact on the financial statements.

#### Stock

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

#### Cash and cash equivalents

Cash includes cash in hand, deposits with a maturity period of 3 months or less and overdrafts.

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

### **Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

The amount recognised as a provision is 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 University a probable obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. 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 University 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 University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

### **Taxation**

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs.

The University's subsidiaries are liable to corporation tax in the same way as any other commercial organisation.

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 balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

### **Reserves**

Reserves are allocated between restricted and unrestricted reserves.

Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity. Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Unrestricted reserves include the unrestricted comprehensive income reserve and the unrestricted non-controlling interest's share of reserves. The non-controlling interest's share of reserves represents any share of comprehensive income or expenditure accountable to the non-controlling interest.

### **Critical accounting judgements and estimates**

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect reported amounts of assets, liabilities, income and expenditure. Estimates and judgements are periodically evaluated and 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. Details of the University's critical accounting judgements and estimates are described below.

#### ***Estimates for the accounting for employee benefits***

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets for certain of the University's defined benefit plans. These are mainly actuarial assumptions such as discount rate, mortality rates and expected inflation rates. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions made for 2023/24 are included in Note 26.

#### ***Fixed asset depreciation, intangible asset amortisation and useful economic life***

The assessment of the appropriate useful economic life of an asset or class of assets requires both judgement and estimation. The useful economic lives that have been assigned to the University's fixed assets, and therefore the depreciation and amortisation rates applicable, are considered to be appropriate based upon the expected lives and future plans for these assets.

#### ***Bad debt provision***

FRS 102 requires debtors to be assessed for impairment at each balance sheet date, and a provision is required if the expected cash flow from debtors is less than the carrying amount on the balance sheet. A bad debt provision is recognised against aged or doubtful debt.





# NOTES TO THE FINANCIAL STATEMENTS

## 2023/24

### For the Year Ended 31 July 2024

#### 1. TUITION FEES AND EDUCATION CONTRACTS

|                                | Year Ended 31 July 2024 |                     | Year Ended 31 July 2023 |                     |
|--------------------------------|-------------------------|---------------------|-------------------------|---------------------|
|                                | Consolidated<br>£'000   | University<br>£'000 | Consolidated<br>£'000   | University<br>£'000 |
| Full time home and EU students | 157,889                 | 156,693             | 163,215                 | 162,510             |
| Part time home and EU students | 9,117                   | 8,885               | 5,550                   | 5,296               |
| International students         | 96,614                  | 52,523              | 104,510                 | 57,239              |
| Short courses                  | 4,256                   | 4,256               | 5,735                   | 5,735               |
| Nurse education training       | 86                      | 86                  | 102                     | 102                 |
| Other fees                     | 7,627                   | 7,627               | 9,860                   | 9,860               |
|                                | <b>275,589</b>          | <b>230,070</b>      | 288,972                 | 240,742             |

#### 2. FUNDING BODY GRANTS

|  | Year Ended 31 July 2024 |                     | Year Ended 31 July 2023 |                     |
|--|-------------------------|---------------------|-------------------------|---------------------|
|  | Consolidated<br>£'000   | University<br>£'000 | Consolidated<br>£'000   | University<br>£'000 |
| <b>Recurrent grants</b>                      |                         |                     |                         |                     |
| Office for Students                          | 9,569                   | 9,569               | 10,133                  | 10,133              |
| Research England                             | 19,333                  | 19,333              | 20,718                  | 20,718              |
| National College for Teaching and Leadership | 23                      | 23                  | 153                     | 153                 |
| Capital grants                               | 6,503                   | 6,503               | 1,082                   | 1,082               |
| <b>Specific grants</b>                       |                         |                     |                         |                     |
| Higher Education Innovation Fund             | 964                     | 964                 | 878                     | 878                 |
|  | <b>36,392</b>           | <b>36,392</b>       | 32,964                  | 32,964              |

#### 3. GRANT AND FEE INCOME

|   | Year Ended 31 July 2024 |                     | Year Ended 31 July 2023 |                     |
|---|-------------------------|---------------------|-------------------------|---------------------|
|   | Consolidated<br>£'000   | University<br>£'000 | Consolidated<br>£'000   | University<br>£'000 |
| Grant income from the Office for Students | 9,569                   | 9,569               | 11,216                  | 11,216              |
| Grant income from other bodies            | 26,823                  | 26,823              | 21,749                  | 21,749              |
| Fee income for taught awards              | 263,802                 | 218,283             | 271,979                 | 223,749             |
| Fee income for research awards            | 1,344                   | 1,344               | 1,272                   | 1,272               |
| Fee income for non-qualifying courses     | 10,443                  | 10,443              | 15,720                  | 15,720              |
|   | <b>311,981</b>          | <b>266,462</b>      | 321,936                 | 273,706             |

**4. RESEARCH GRANTS AND CONTRACTS**

|                              | Year Ended 31 July 2024 |               | Year Ended 31 July 2023 |            |
|------------------------------|-------------------------|---------------|-------------------------|------------|
|                              | Consolidated            | University    | Consolidated            | University |
|                              | £'000                   | £'000         | £'000                   | £'000      |
| Research councils            | 7,035                   | 7,035         | 7,170                   | 7,170      |
| Research charities           | 2,622                   | 2,622         | 1,574                   | 1,574      |
| Government (UK and overseas) | 5,390                   | 5,390         | 3,803                   | 3,803      |
| Industry and commerce        | 1,529                   | 1,529         | 849                     | 849        |
| Other                        | 1,457                   | 1,457         | 2,964                   | 2,964      |
|                              | <b>18,035</b>           | <b>18,035</b> | 16,360                  | 16,360     |

The University acts as the lead partner in a number of research grants and contracts. The gross income value of these grants and contracts was £21,146k (2023: £19,116k) with £18,035k (2023: £16,360k) remaining within the University and £3,111k (2023: £2,756k) being passed through to research partners. In accordance with FRS 102, the University has only recognised income and costs to the extent that the University acts as the principal in the contracts.

**5. OTHER INCOME**

|                                      | Year Ended 31 July 2024 |               | Year Ended 31 July 2023 |            |
|--------------------------------------|-------------------------|---------------|-------------------------|------------|
|                                      | Consolidated            | University    | Consolidated            | University |
|                                      | £'000                   | £'000         | £'000                   | £'000      |
| Residences, catering and conferences | 14,148                  | 14,148        | 13,522                  | 13,522     |
| Collaborative ventures               | 13,636                  | 16,929        | 10,007                  | 14,513     |
| Other academic income                | 696                     | 696           | 1,251                   | 1,253      |
| Rent and rates                       | 1,387                   | 1,387         | 1,317                   | 1,402      |
| Sports membership                    | 1,064                   | 1,058         | 1,060                   | 1,060      |
| IT helpline                          | 1,924                   | 1,924         | 1,721                   | 1,721      |
| Other                                | 8,986                   | 9,252         | 8,819                   | 8,925      |
|                                      | <b>41,841</b>           | <b>45,394</b> | 37,697                  | 42,396     |

**6. INVESTMENT INCOME**

|                                   | Year Ended 31 July 2024 |              | Year Ended 31 July 2023 |            |
|-----------------------------------|-------------------------|--------------|-------------------------|------------|
|                                   | Consolidated            | University   | Consolidated            | University |
|                                   | £'000                   | £'000        | £'000                   | £'000      |
| Investment income                 | 5,305                   | 4,918        | 4,831                   | 3,560      |
| Dividend income                   | -                       | -            | -                       | 991        |
| Gain on disposal of joint venture | -                       | -            | 205                     | 205        |
|                                   | <b>5,305</b>            | <b>4,918</b> | 5,036                   | 4,756      |

**7. DONATIONS AND ENDOWMENTS**

|                             | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|-----------------------------|-------------------------|------------|-------------------------|------------|
|                             | Consolidated            | University | Consolidated            | University |
|                             | £'000                   | £'000      | £'000                   | £'000      |
| Donations with restrictions | 455                     | 455        | 1,074                   | 1,074      |
|                             | <b>455</b>              | <b>455</b> | 1,074                   | 1,074      |

**8. STAFF COSTS**

|  | Year Ended 31 July 2024 |                | Year Ended 31 July 2023 |            |
|--|-------------------------|----------------|-------------------------|------------|
|  | Consolidated            | University     | Consolidated            | University |
|  | £'000                   | £'000          | £'000                   | £'000      |
| Salaries                               | 168,396                 | 168,311        | 158,471                 | 157,435    |
| Social security costs                  | 17,424                  | 17,439         | 17,640                  | 17,535     |
| Pension costs (note 26)                | 31,582                  | 31,711         | 35,644                  | 35,667     |
|  | <b>217,402</b>          | <b>217,461</b> | 211,755                 | 210,637    |
| Exceptional pension (credit) (note 26) | (11,032)                | (11,032)       | (1,460)                 | (1,460)    |
|  | <b>206,370</b>          | <b>206,429</b> | 210,295                 | 209,177    |

**The exceptional pension (credit) for the year was:**

|     | Year Ended 31 July 2024 |                 | Year Ended 31 July 2023 |            |
|-----|-------------------------|-----------------|-------------------------|------------|
|     | Consolidated            | University      | Consolidated            | University |
|     | £'000                   | £'000           | £'000                   | £'000      |
| USS | (11,032)                | (11,032)        | (1,460)                 | (1,460)    |
|     | <b>(11,032)</b>         | <b>(11,032)</b> | (1,460)                 | (1,460)    |

**USS**

Following the 2020 valuation a deficit recovery plan was implemented which required payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate would increase to 6.3%. As set out in note 26, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provision basis. The university was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

|   | Consolidated |  | Consolidated |
|---|--------------|--|--------------|
|   | 2024         |  | 2023         |
|   | Staff FTE    |  | Staff FTE    |
| <b>Average staff numbers by major category (expressed as Full Time Equivalents (FTE))</b> |              |  |              |
| Academic  | 1,599        |  | 1,571        |
| Academic support  | 191          |  | 273          |
| Student support   | 494          |  | 464          |
| Estates and accommodation   | 349          |  | 272          |
| Administration and central services   | 743          |  | 672          |
|   | <b>3,376</b> |  | 3,252        |

Other disclosures required by the OfS Accounts Direction are included within the Annual Remuneration Statement on pages 44-49 of these financial statements with required disclosures clearly marked as "audited information" in that statement.



| 9. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY | Year Ended 31 July 2024 |                | Year Ended 31 July 2023 |            |
|--|-------------------------|----------------|-------------------------|------------|
|  | Consolidated            | University     | Consolidated            | University |
|  | £'000                   | £'000          | £'000                   | £'000      |
| Academic faculties                           | 147,234                 | 146,321        | 143,909                 | 143,160    |
| Academic services                            | 58,913                  | 53,245         | 47,965                  | 43,594     |
| Administration                               | 106,044                 | 84,234         | 101,197                 | 83,761     |
| Premises                                     | 39,348                  | 33,407         | 47,954                  | 41,326     |
| Residences, catering and conferences         | 11,271                  | 11,271         | 3,963                   | 3,963      |
| Research grants and contracts                | 17,042                  | 17,042         | 15,503                  | 15,503     |
| Other expenses                               | (11,768)                | (11,768)       | 8,904                   | 8,904      |
|  | <b>368,084</b>          | <b>333,752</b> | 369,395                 | 340,211    |

#### Other operating expenses include

|   | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|---|-------------------------|------------|-------------------------|------------|
|   | Consolidated            | University | Consolidated            | University |
|   | £'000                   | £'000      | £'000                   | £'000      |
| External auditor's remuneration in respect of audit services for the current year | 280                     | 200        | 180                     | 126        |
| External auditor's remuneration in respect of other assurance services            | 15                      | 15         | 12                      | 12         |
| Operating lease rentals:  |                         |            |                         |            |
| Land and buildings  | 3,162                   | 3,162      | 3,100                   | 3,100      |

| 10. ACCESS & PARTICIPATION EXPENDITURE                         | Year Ended 31 July 2024 |  | Year Ended 31 July 2023 |            |
|--|-------------------------|--|-------------------------|------------|
|  | Consolidated            |  | Consolidated            | University |
|  | £'000                   |  | £'000                   | £'000      |
| Access investment  | 3,767                   |  |                         | 3,733      |
| Financial support provided to students                         | 1,363                   |  |                         | 1,772      |
| Support for disabled students                                  | 1,434                   |  |                         | 1,140      |
| Research and evaluation of access and participation activities | 50                      |  |                         | 50         |
|  | <b>6,614</b>            |  |                         | 6,695      |
| <b>Planned Spend per Access &amp; Participation Plan</b>       | <b>5,150</b>            |  |                         | 5,160      |

Overall Access & Participation expenditure was £1,464k higher than the original planned spend as per the University's [Access & Participation plan](#).

The above figures include staffing costs of £3,100k (2023: £2,900k), which are included within the overall staff costs figure in Note 8.

The increase in Access & Participation Expenditure is driven by increases in access investment and hardship funding support, which was increased as a direct response to the cost-of-living crisis.

| 11. INTEREST AND OTHER FINANCE COSTS                    | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|---|-------------------------|------------|-------------------------|------------|
|   | Consolidated            | University | Consolidated            | University |
|   | £'000                   | £'000      | £'000                   | £'000      |
| Interest on bank and other loans                        | 2,426                   | 2,426      | 2,509                   | 2,509      |
| Interest (credit)/charge on LGPS defined benefit scheme | (1,910)                 | (1,910)    | 2,050                   | 2,050      |
| Interest on USS deficit recovery plan                   | 248                     | 248        | 390                     | 390        |
| Interest on enhanced pension scheme                     | 104                     | 104        | 41                      | 41         |
|   | <b>868</b>              | <b>868</b> | 4,990                   | 4,990      |

#### 12. TAXATION

##### Recognised in the statement of comprehensive income

##### Current tax

|                     | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|---------------------|-------------------------|------------|-------------------------|------------|
|                     | Consolidated            | University | Consolidated            | University |
|                     | £'000                   | £'000      | £'000                   | £'000      |
| Current tax expense | 2,079                   | -          | 2,773                   | -          |
| Foreign tax         | -                       | -          | 137                     | 137        |
|                     | <b>2,079</b>            | <b>-</b>   | 2,910                   | 137        |

##### Factors affecting the tax charge

The tax assessed is lower than the standard rate of corporation tax in the UK. The difference is explained as follows:

|   | Year Ended 31 July 2024 |              | Year Ended 31 July 2023 |            |
|---|-------------------------|--------------|-------------------------|------------|
|   | Consolidated            | University   | Consolidated            | University |
|   | £'000                   | £'000        | £'000                   | £'000      |
| <b>Surplus / (deficit) before taxation</b>              | <b>9,533</b>            | <b>1,512</b> | 12,708                  | (2,056)    |
| UK corporation tax at 25% (2022: 19%)                   | 2,383                   | 378          | 2,669                   | -          |
| Effect of:  |                         |              |                         |            |
| Surplus / (deficit) falling within charitable exemption | (304)                   | (378)        | 104                     | -          |
| Effects of foreign tax rates                            | -                       | -            | 137                     | 137        |
|   | <b>2,079</b>            | <b>-</b>     | 2,910                   | 137        |

### 13. INVESTMENTS IN SUBSIDIARIES

The following companies are subsidiaries of the University:

| Company   | Country of registration | Activity   | Issued share capital                    | As at 31   | As at 31   |
|---|-------------------------|--|---|------------|------------|
|   |                         |  |   | July 2024  | July 2023  |
|   |                         |  |   | £          | £          |
| University of Northumbria at Newcastle Developments Limited | England & Wales         | Provision of Education Services                      | 2 £1 Ordinary Shares (100% holding)     | 2          | 2          |
| Northumbria International Limited                           | England & Wales         | Support Services for Overseas Activities             | 1 £1 Ordinary Share (100% holding)      | 1          | 1          |
| Northumbria University Nursery Limited                      | England & Wales         | Provision of Nursery Services                        | 1 £1 Ordinary Share (100% holding)      | 1          | 1          |
| Northumbria University Services Limited                     | England & Wales         | Provision of Support Staff to Northumbria University | 1 £1 Ordinary Share (100% holding)      | 1          | 1          |
| Northumbria London Campus Limited                           | England & Wales         | Provision of Education Services at London Campus     | 501 £1 Ordinary Shares (50.1% holding)  | 501        | 501        |
| Northumbria University Amsterdam B.V.                       | Netherlands             | Provision of Education Services at Amsterdam Campus  | 1,000 €1 Ordinary Shares (100% holding) | -          | -          |
|   |                         |  |   | <b>506</b> | <b>506</b> |

During the year, the University made additional equity contributions to Northumbria University Amsterdam B.V totalling £516k. At the balance sheet date, as a result of the financial position of the subsidiary, the investment has been impaired to nil. An impairment charge of £516k has been included within the Other Operating Expenses line in the University Statement of Comprehensive Income and Expenditure.

The results of these subsidiary entities are included in these consolidated statements.

The registered address for all subsidiaries registered in England and Wales is:

Pandon Building, Camden Street, NE2 1XE

The registered address for Northumbria University Amsterdam B.V. is:

Herikerbergweg 88; 1101 CM, Amsterdam; The Netherlands

### 14. INVESTMENTS IN ASSOCIATES

| Company             | Country of registration | Activity  | Issued share capital          | £              |
|---------------------|-------------------------|---|-------------------------------|----------------|
| Pulmobiomed Limited | England & Wales         | Development and Commercialisation of Intellectual Property Rights | Ordinary Shares (21% holding) | <b>189,747</b> |
|                     |                         |   |                               | <b>189,747</b> |

During the year the University converted it's loan notes into equity totalling the value of the original loan plus interest.

The group's share of this associate's results has not been included in the financial statements on grounds of materiality.

### 15. INTANGIBLE ASSETS

|                                       | Consolidated and University |                                   | Total         |
|---------------------------------------|-----------------------------|-----------------------------------|---------------|
|                                       | Software                    | Software assets under development |               |
|                                       | £'000                       | £'000                             | £'000         |
| <b>Cost</b>                           |                             |                                   |               |
| At 1 August 2023                      | 20,666                      | 8,274                             | <b>28,940</b> |
| Additions in the year                 | -                           | 7,025                             | <b>7,025</b>  |
| Transfer                              | 14,839                      | (14,839)                          | -             |
| Disposals                             | -                           | (29)                              | <b>(29)</b>   |
| At 31 July 2024                       | <b>35,505</b>               | <b>431</b>                        | <b>35,936</b> |
| <b>Amortisation</b>                   |                             |                                   |               |
| At 1 August 2023                      | 15,754                      | -                                 | <b>15,754</b> |
| Charge for the year                   | 1,872                       | -                                 | <b>1,872</b>  |
| Disposals                             | -                           | -                                 | -             |
| At 31 July 2024                       | <b>17,626</b>               | -                                 | <b>17,626</b> |
| <b>Net book value at 31 July 2024</b> | <b>17,879</b>               | <b>431</b>                        | <b>18,310</b> |
| Net book value at 31 July 2023        | 4,912                       | 8,274                             | <b>13,185</b> |



## 16. TANGIBLE FIXED ASSETS

### Tangible fixed assets comprise:

|                               | Year Ended 31 July 2024 |                | Year Ended 31 July 2023 |            |
|-------------------------------|-------------------------|----------------|-------------------------|------------|
|                               | Consolidated            | University     | Consolidated            | University |
|                               | £'000                   | £'000          | £'000                   | £'000      |
| Property, plant and equipment | 315,412                 | 315,412        | 306,320                 | 306,320    |
| Investment properties         | 352                     | 352            | 352                     | 352        |
|                               | <b>315,764</b>          | <b>315,764</b> | 306,672                 | 306,672    |

|                                       | Consolidated and University |                          |                              |               |                           | Total<br>£'000 |
|---------------------------------------|-----------------------------|--------------------------|------------------------------|---------------|---------------------------|----------------|
|                                       | Freehold land and buildings | Long leasehold buildings | Short leasehold improvements | Equipment     | Assets under construction |                |
|                                       | £'000                       | £'000                    | £'000                        | £'000         | £'000                     |                |
| <b>Cost</b>                           |                             |                          |                              |               |                           |                |
| At 1 August 2023                      | 395,218                     | 1,576                    | 547                          | 72,732        | 5,919                     | <b>475,993</b> |
| Additions                             | -                           | -                        | -                            | 6,957         | 20,341                    | <b>27,298</b>  |
| Transfers                             | 5,765                       | -                        | -                            | 5,099         | (10,864)                  | -              |
| Disposals                             | -                           | -                        | -                            | -             | -                         | -              |
| Impairment                            | -                           | -                        | -                            | -             | (48)                      | <b>(48)</b>    |
| At 31 July 2024                       | <b>400,983</b>              | <b>1,576</b>             | <b>547</b>                   | <b>84,789</b> | <b>15,348</b>             | <b>503,243</b> |
| <b>Depreciation</b>                   |                             |                          |                              |               |                           |                |
| At 1 August 2023                      | 106,387                     | 575                      | 359                          | 59,930        | -                         | <b>167,251</b> |
| Charge for the year                   | 13,753                      | 42                       | 45                           | 6,388         | -                         | <b>20,228</b>  |
| Disposals                             | -                           | -                        | -                            | -             | -                         | -              |
| At 31 July 2024                       | <b>120,140</b>              | <b>617</b>               | <b>404</b>                   | <b>66,318</b> | -                         | <b>187,479</b> |
| <b>Net book value at 31 July 2024</b> | <b>280,843</b>              | <b>959</b>               | <b>143</b>                   | <b>18,475</b> | <b>15,344</b>             | <b>315,764</b> |
| Net book value at 31 July 2023        | 288,832                     | 1,001                    | 188                          | 12,802        | 5,919                     | 308,742        |

A reclassification from the opening balance of Intangible Assets to Tangible Fixed Assets of £2,070k has been made to correct the classification of an asset in the previous year.

## 17. TRADE AND OTHER RECEIVABLES

|  | As at 31 July 2024 |               | As at 31 July 2023 |            |
|--|--------------------|---------------|--------------------|------------|
|  | Consolidated       | University    | Consolidated       | University |
|  | £'000              | £'000         | £'000              | £'000      |
| <b>Amounts falling due within one year</b> |                    |               |                    |            |
| Trade receivables                          | 11,973             | 4,473         | 23,754             | 9,394      |
| Amounts due from subsidiary undertakings   | -                  | 2,707         | -                  | 4,420      |
| Prepayments and accrued income             | 21,112             | 19,257        | 19,439             | 18,388     |
| Other receivables                          | 214                | 213           | 1,363              | 1,359      |
| Amounts due from minority interest         | 15,135             | -             | 27,999             | -          |
|  | <b>48,434</b>      | <b>26,650</b> | 72,555             | 33,561     |

## 18. CURRENT INVESTMENTS

|                          | As at 31 July 2024 |            | As at 31 July 2023 |            |
|--------------------------|--------------------|------------|--------------------|------------|
|                          | Consolidated       | University | Consolidated       | University |
|                          | £'000              | £'000      | £'000              | £'000      |
| Short term cash deposits | -                  | -          | 35,000             | 35,000     |

## 19. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

|   | As at 31 July 2024 |               | As at 31 July 2023 |            |
|---|--------------------|---------------|--------------------|------------|
|   | Consolidated       | University    | Consolidated       | University |
|   | £'000              | £'000         | £'000              | £'000      |
| Secured loans                           | 3,300              | 3,300         | 3,300              | 3,300      |
| Unsecured loans                         | 35                 | 35            | 71                 | 71         |
| Trade payables                          | 6,883              | 6,823         | 9,145              | 9,072      |
| Amounts owed to subsidiaries            | -                  | 2,249         | -                  | 1,366      |
| Social security and other taxes payable | 6,775              | 4,524         | 7,726              | 4,945      |
| Accruals and deferred income            | 74,063             | 55,876        | 84,785             | 59,010     |
| Other payables                          | 6,184              | 4,240         | 1,341              | 520        |
|   | <b>97,240</b>      | <b>77,047</b> | 106,368            | 78,284     |

### Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

|                                     | As at 31 July 2024 |               | As at 31 July 2023 |            |
|-------------------------------------|--------------------|---------------|--------------------|------------|
|                                     | Consolidated       | University    | Consolidated       | University |
|                                     | £'000              | £'000         | £'000              | £'000      |
| Research grants received on account | 13,658             | 13,568        | 8,635              | 8,635      |
| Grant income                        | 24                 | 24            | 77                 | 77         |
| Other income                        | 31,108             | 16,469        | 49,405             | 22,726     |
|                                     | <b>44,790</b>      | <b>30,061</b> | 58,117             | 31,438     |

## 20. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

|               | As at 31 July 2024 |            | As at 31 July 2023 |            |
|---------------|--------------------|------------|--------------------|------------|
|               | Consolidated       | University | Consolidated       | University |
|               | £'000              | £'000      | £'000              | £'000      |
| Secured loans | 40,525             | 40,525     | 43,825             | 43,825     |
|               | 40,525             | 40,525     | 43,825             | 43,825     |

### Analysis of secured and unsecured loans

|  | As at 31 July 2024 |               | As at 31 July 2023 |            |
|--|--------------------|---------------|--------------------|------------|
|  | Consolidated       | University    | Consolidated       | University |
|  | £'000              | £'000         | £'000              | £'000      |
| <b>Due within one year or on demand</b>  | <b>3,335</b>       | <b>3,335</b>  | 3,371              | 3,371      |
| Due between one and two years            | 3,300              | 3,300         | 3,300              | 3,300      |
| Due between two and five years           | 9,900              | 9,900         | 9,900              | 9,900      |
| Due in five years or more                | 27,325             | 27,325        | 30,625             | 30,625     |
| <b>Due after more than one year</b>      | <b>40,525</b>      | <b>40,525</b> | 43,825             | 43,825     |
| <b>Total secured and unsecured loans</b> | <b>43,860</b>      | <b>43,860</b> | 47,196             | 47,196     |
| Secured loans repayable by 2037          | 43,825             | 43,825        | 47,125             | 47,125     |
| Unsecured loans                          | 35                 | 35            | 71                 | 71         |
| <b>Total secured and unsecured loans</b> | <b>43,860</b>      | <b>43,860</b> | 47,196             | 47,196     |

### Included in loans are the following:

|  | From           | To            | Interest rate | Amount<br>£'000 |
|--|----------------|---------------|---------------|-----------------|
| <b>Barclays Bank plc</b>                 |                |               |               |                 |
| Fixed rate hedge                         | 1 August 2011  | 1 August 2036 | 5.72%         | 23,043          |
| Fixed rate hedge                         | 1 August 2012  | 1 August 2035 | 4.81%         | 17,171          |
| Variable rate                            | 1 May 2024     | 31 July 2024  | 5.28%         | 3,611           |
| <b>Salix Finance</b>                     |                |               |               |                 |
| Interest free                            | 1 October 2015 |               | 0.00%         | 35              |
| <b>Total secured and unsecured loans</b> |                |               |               | <b>43,860</b>   |

The secured Barclays loan is a single indebtedness though it is priced across three tranches as shown in the above table. This loan is secured on certain freehold property assets. It is payable in equal quarterly instalments through to the final instalment payable in August 2037.

At 31 July 2024 the aggregate fair value of the Barclays' hedge agreements was a liability of £2,784k (2023: liability of £1,295k). During the prior year the University re-assessed the criteria for hedge accounting in respect of the hedge agreements of the Barclays loan and deemed it no longer met the criteria for hedge accounting. The financial impact of the re-classification of hedge accounting has been recognised in equity in the prior year through the Hedging Reserve with hedge accounting having been removed.

The Salix Finance Loan is unsecured. It is funding under the OfS Revolving Green Fund 4 (RGF4) programme and the University has been notified that the fund will end in 2025. As such, the loan has been terminated and repayments are being repaid to OfS over a period of three years, in three equal instalments of £35,493.33 which commenced in 2022/23.

## 21. PROVISIONS

| Consolidated and University | 1.   | 2.   | Total pensions provisions<br>£'000 |
|-----------------------------|--|--|------------------------------------|
|                             | Obligation to fund deficit on USS Pension<br>£'000 | Pension enhancements on termination<br>£'000 |                                    |
| At 1 August 2023            | 10,779   | 2,084  | 12,863                             |
| Utilised in year            | (11,032)   | (241)  | (11,273)                           |
| Additions in year           | 253  | 127  | 380                                |
| <b>At 31 July 2024</b>      | <b>-</b>   | <b>1,970</b>                                 | <b>1,970</b>                       |

| Consolidated and University | 3.                              | 4.                                  | Total pensions provisions<br>£'000 |
|-----------------------------|---------------------------------|-------------------------------------|------------------------------------|
|                             | Leasehold dilapidation<br>£'000 | Overseas tax uncertainties<br>£'000 |                                    |
| At 1 August 2023            | 1,273                           | 1,163                               | 2,436                              |
| Utilised in year            | 200                             | -                                   | 200                                |
| Additions in year           | -                               | -                                   | -                                  |
| <b>At 31 July 2024</b>      | <b>1,473</b>                    | <b>1,163</b>                        | <b>2,636</b>                       |

- At 31st July 2023, the university's balance sheet included a liability of £10,779k for future contributions payable under the deficit recovery agreement which was concluded on 30th September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the university was no longer required to make deficit recovery contributions. The remaining liability of £11,032k was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 26.

|               | Consolidated and University |                         |
|---------------|-----------------------------|-------------------------|
|               | Year Ended 31 July 2024     | Year Ended 31 July 2023 |
| Discount rate | -%                          | 5.52%                   |
| Salary growth | -%                          | 3.12%                   |

- In previous years, the University has granted enhanced pension payments to certain members of staff in both the LGPS and TPS. The difference between enhanced pension and the amount earned according to the scheme rules is charged back to the University by the schemes. The University therefore has a liability both to the TWPF and to the TPS for these payments.
- This provision represents an estimate of the costs incurred to date for work that will be required to be carried out in order to restore a leasehold property to its original state on exiting the lease.
- This amount is being provided for uncertain tax positions relating to a number of the University's activities overseas. It is expected to be utilised over the next year.



| 22. CASH AND CASH EQUIVALENTS | As at 1 August 2023 | Cash flows | As at 31 July 2024 |
|-------------------------------|---------------------|------------|--------------------|
|                               | £'000               | £'000      | £'000              |
| <b>Consolidated</b>           |                     |            |                    |
| Cash and cash equivalents     | 89,238              | 14,523     | <b>103,761</b>     |
| <b>University</b>             |                     |            |                    |
| Cash and cash equivalents     | 88,171              | 14,504     | <b>102,675</b>     |

The consolidated group and university also held £Nil (2023: £35,000k) in short-term cash deposits at the year-end (Note 18).

| 23. CAPITAL AND OTHER COMMITMENTS                       | Consolidated and University |                    |
|---|-----------------------------|--------------------|
|   | As at 31 July 2024          | As at 31 July 2023 |
|   | £'000                       | £'000              |
| Capital commitments contracted for but not provided for | <b>14,422</b>               | 6,991              |

| 24. LEASE OBLIGATIONS                          | Consolidated and University Land and buildings |                    |
|--|--|--------------------|
|  | As at 31 July 2024                             | As at 31 July 2023 |
|  | £'000  | £'000              |
| Not later than one year                        | <b>3,225</b>                                   | 3,162              |
| Later than one year, not later than five years | <b>13,559</b>                                  | 13,293             |
| Later than five years                          | -  | 3,491              |
| <b>Total lease payments due</b>                | <b>16,784</b>                                  | 19,946             |

## 25. RELATED PARTIES

Members of the Board of Governors and University Executive are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family, or other personal interest, it must be declared, and the member concerned may not take part in the consideration of the matter nor vote on it. The financial effect of all transactions involving organisations in which a member of the Board of Governors and University Executive may have an interest has been considered.

In the normal course of business, the University transacts with private and public sector organisations, a certain number of which Governors and Executives of the University are directors, officers or partners. All such transactions are undertaken on an arm's length basis in accordance with normal agreements with customers and suppliers and in line with the University's Financial Regulations.

Where Governors and Executives or members of their respective close family do not have a controlling interest in either the University or the organisations in which they are directors, employees or partners, the transaction is not deemed as a related party transaction and disclosure is not required under FRS 102.

The following have been identified as related party transactions requiring disclosure under FRS 102. It is confirmed that these are conducted at arm's length and in accordance with the University's Financial Regulations.

| Related Party  | Year Ended 31 July | Sales £'000  | Purchases £'000 | Debtor £'000  | Creditor £'000 |
|--|--------------------|--------------|-----------------|---------------|----------------|
| <b>North Tees NHS FT<sup>1</sup></b>                         | <b>2024</b>        | <b>3</b>     | -               | <b>3</b>      | -              |
|  | 2023               | -            | -               | -             | -              |
| <b>The Open University<sup>2</sup></b>                       | <b>2024</b>        | <b>133</b>   | -               | <b>6</b>      | -              |
|  | 2023               | 69           | 10              | -             | -              |
| <b>South Tees NHS FT<sup>3</sup></b>                         | <b>2024</b>        | <b>28</b>    | -               | <b>14</b>     | -              |
|  | 2023               | -            | -               | -             | -              |
| <b>QAHE (NU) Limited<sup>4</sup></b>                         | <b>2024</b>        | <b>6,292</b> | <b>20,227</b>   | <b>15,729</b> | -              |
|  | 2023               | 6,394        | 20,197          | 47,185        | 19,898         |
| <b>University of Northumbria Students' Union<sup>5</sup></b> | <b>2024</b>        | <b>1,207</b> | <b>2,475</b>    | <b>301</b>    | <b>17</b>      |
|  | 2023               | 908          | 2,412           | 1             | 2              |
| <b>John Nixon Ltd<sup>6</sup></b>                            | <b>2024</b>        | -            | <b>7</b>        | -             | -              |
|  | 2023               | -            | 3               | -             | -              |
| <b>Fell Dyke Community Primary School<sup>7</sup></b>        | <b>2024</b>        | -            | <b>1</b>        | -             | -              |
|  | 2023               | -            | -               | -             | -              |
| <b>PulmoBioMed Ltd<sup>8</sup></b>                           | <b>2024</b>        | -            | -               | -             | -              |
|  | 2023               | 21           | -               | -             | -              |
| <b>Northumbria NHS FT<sup>9</sup></b>                        | <b>2024</b>        | <b>62</b>    | <b>27</b>       | <b>44</b>     | <b>8</b>       |
|  | 2023               | -            | -               | -             | -              |
| <b>QA Ltd<sup>10</sup></b>                                   | <b>2024</b>        | -            | -               | -             | <b>1</b>       |
|  | 2023               | -            | -               | -             | -              |

<sup>1</sup> Alison Fellows is a board member at the University and is also a director at North Tees NHS FT. As such they are in a position to exert significant influence over both parties. The income relates to OSCE exam fees.

<sup>2</sup> Dr Roberta Blackman-Woods is the Chair of the Board of Governors, her husband is the Vice Chancellor of The Open University. As such they are in a position to exert significant influence over both parties. The income relates to the supply of IT services provided by the University and the expenditure incurred represent partnership payments in relation to grant receipts.

<sup>3</sup> Alison Fellows is a board member at the University and is also a director at South Tees NHS FT. As such they are in a position to exert significant influence over both parties. The income relates to OSCE exam fees.

<sup>4</sup> QAHE (NU) Limited is a related party to the University as the joint venture partner for Northumbria London Campus Limited. The sales and purchases represent recharges of services provided to and by Northumbria London Campus Limited. The debtor and creditor balances are largely represented by balances owed to and from Northumbria London Campus Limited.

<sup>5</sup> University of Northumbria Student's Union is considered to be a related party by substance due to the close relationship between the two entities. The University provides financial support to the Student's Union in the form of a block grant and receives rental payments in return.

<sup>6</sup> John Hudson is a board member at the University and is also director of Nixon Limited. As such they are in a position to exert significant influence over both parties. The expenditure relates to the hire of equipment.

<sup>7</sup> Guy Brown is a member of the University's key management personnel and Chair of Fell Dyke Community Primary School and as such they are in a position to exert significant influence over both parties. The expenditure relates to placement fees.

<sup>8</sup> PulmoBioMed Limited<sup>8</sup> is an associate of the University The group's share of this associate's results have not been included in the financial statements on grounds of materiality and therefore transactions have been disclosed here. The income relates to research services provided.

<sup>9</sup> Birju Bartoli is a board member at the University and Northumbria NHS FT, as such they are in a position to exercise significant influence over both parties. The income relates to OSCE exam fees and the expenditure relates to staff secondments.

<sup>10</sup> QA Ltd is a related party to the University as it is part of a group with QAHE (NU) Ltd who are the joint venture partner for Northumbria London Campus.

The University's transactions with wholly owned subsidiaries have not been disclosed under FRS102.

## 26. PENSION SCHEMES

The four pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS), the Tyne and Wear Pension Fund (TWPF) which is a Local Government Pension Scheme (LGPS), and the Universities and Colleges Retirement Savings Scheme (UCRSS).

### The pension charge for the year before exceptional charges was as follows:

|       | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|-------|-------------------------|------------|-------------------------|------------|
|       | Consolidated            | University | Consolidated            | University |
|       | £'000                   | £'000      | £'000                   | £'000      |
| TPS   | 18,613                  | 18,742     | 16,406                  | 16,406     |
| USS   | 2,444                   | 2,444      | 2,867                   | 2,867      |
| LGPS  | 8,450                   | 8,450      | 14,680                  | 14,680     |
| UCRSS | 2,075                   | 2,075      | 1,707                   | 1,707      |
|       | 31,582                  | 31,711     | 35,660                  | 35,660     |

### The exceptional pension (credit) / charges for the year were as follows:

|     | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|-----|-------------------------|------------|-------------------------|------------|
|     | Consolidated            | University | Consolidated            | University |
|     | £'000                   | £'000      | £'000                   | £'000      |
| USS | (11,032)                | (11,032)   | (1,460)                 | (1,460)    |
|     | (11,032)                | (11,032)   | (1,460)                 | (1,460)    |

Details of the exceptional pension charges are provided within Note 8.

### The actuarial gain/(loss) in respect of pensions for the year was as follows:

|  | Consolidated and University |                         |
|--|-----------------------------|-------------------------|
|  | Year Ended 31 July 2024     | Year Ended 31 July 2023 |
|  | £'000                       | £'000                   |
| LGPS                                     | (35,576)                    | 107,370                 |
| Enhanced Pension Payments - LGPS and TPS | 10                          | 114                     |
|  | (35,566)                    | 107,484                 |

### The pension adjustments as detailed in the cash flow statement are derived as follows:

|                             | Year Ended 31 July 2024 |            | Year Ended 31 July 2023 |            |
|-----------------------------|-------------------------|------------|-------------------------|------------|
|                             | Consolidated            | University | Consolidated            | University |
|                             | £'000                   | £'000      | £'000                   | £'000      |
| LGPS charge                 | 8,450                   | 8,450      | 14,680                  | 14,680     |
| LGPS employer contributions | (8,320)                 | (8,320)    | (7,656)                 | (7,656)    |
|                             | 130                     | 130        | 7,024                   | 7,024      |

### The Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments in England and Wales that are maintained by local authorities, and in academies. In addition, teachers in many independent schools, and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the abovementioned regulations, made under the Superannuation Act (1972) and Public Service Pensions Act (2013), and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts. The Teachers' Pensions Regulations 2010 require an annual account - the Teachers' Pension Budgeting and Valuation Account - to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### Valuation of the TPS

As a result of the latest scheme valuation, employer contributions were increased in April 2024 from a rate of 23.6% to 28.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. A copy of the latest valuation report can be found by following this link to Valuation result | 10 | 2023 (teacherspensions.co.uk). The next valuation is expected to take effect in 2027.

### Scheme Changes

In line with the requirements of the Public Service Pensions and Judicial Offices Act 2022, the Department for Education laid regulations which came into force on 1 April 2022, closing the legacy scheme to any further accrual which prevented any further discrimination. The regulatory changes, along with the ongoing Transitional Protection remedy, are being implemented in response to the McCloud-Sargeant discrimination ruling. The retrospective remedy offers members in scope a deferred choice of benefits, legacy or reformed, in respect of pensionable service during the remedy period (1 April 2015 to 31 March 2022).

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

The pension costs paid to TPS in the year amounted to £18,613k (2023: £16,406k).



### Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total credit charged to the profit and loss account is £8,588k (2023: £1,407k cost)

Deficit recovery contributions due within one year for the institution are £0k (2023: £897k)

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date) and was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective.) At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of [Funding Principles](#)

|   |   |
|---|---|
| <b>CPI assumption</b>                               | 3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations) |
| <b>RPI/CPI gap</b>                                  | 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030  |
| <b>Pension increases (subject to a floor of 0%)</b> | CPI assumption plus 0.05%   |
| <b>Discount rate (forward rates)</b>                | Fixed interest gilt yield curve plus:<br>Pre-retirement: 2.5% p.a.<br>Post retirement: 0.9% p.a.                      |

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

|                                  | 2023 valuation  |
|----------------------------------|---|
| Mortality base table             | 101% of S2PMA "light" for males and 95% of S3PFA for females  |
| Future improvements to mortality | CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w 20201 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

The current life expectancies on retirement at age 65 are:

|                   | 2024 | 2023 |
|-------------------|------|------|
| <b>Males</b>      |      |      |
| Currently aged 65 | 23.7 | 24.0 |
| Currently aged 45 | 25.6 | 25.6 |
| <b>Females</b>    |      |      |
| Currently aged 65 | 25.4 | 26.0 |
| Currently aged 45 | 27.2 | 27.4 |

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 8, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The university was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

|                                | 2024 | 2023  |
|--------------------------------|------|-------|
| Discount rate                  | -    | 5.52% |
| Pensionable salary growth rate | -    | 3.12% |

The pension costs paid to USS in the year amounted to £2,444k (2023: £2,867k).

### Local Government Pension Scheme (LGPS)

LGPSs are regulated by statute, with separate regulations for (a) England and Wales and (b) Scotland. The benefits of the LGPSs are determined nationally by regulation and meet the definition of a defined benefit scheme. The South Tyneside Metropolitan Borough Council is the administering authority for the Tyne and Wear Pension Fund (TWPF). The metropolitan councils in Tyne and Wear, and other bodies, for example the University, are employing bodies within the TWPF. In the event that the University closes, and there is no successor establishment, the Secretary of State becomes the compensating authority.

The University's contribution rate up to 31st March 2023 was 18.8%, which has been the rate since the increase from 15.6% on 31 March 2020 as a result of the completion of the full actuarial valuation at 31 March 2019. From 1st April 2023, the University's contribution rate dropped to 18.5% as a result of the full actuarial valuation as at 31 March 2022. Employer contributions including capital repayments of £Nil (2023: £nil) and strain on fund payments were £8,320k (2023: £7,656k). Under FRS 102, the comparable service cost was £8,450k (2023: £14,680k), including the past service cost of £180k (2023: £nil).

The results below relate to the funded liabilities within the TWPF, which is part of the LGPS. The funded nature of the LGPS requires the University and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

### Valuation of the LGPS

The last full actuarial valuation was at 31 March 2022.

Expected employer contributions to the Fund for the accounting period to 31 July 2025 are estimated to be £8,480k. In addition, strain on fund contributions may be required to meet the costs of early retirements.

| Principal actuarial assumptions   | As at 31 July 2024 | As at 31 July 2023 |
|-----------------------------------|--------------------|--------------------|
|                                   | %                  | %                  |
| Discount rate                     | 5.0                | 5.0                |
| CPI inflation                     | 2.6                | 2.6                |
| Pension increases                 | 2.6                | 2.6                |
| Pension accounts revaluation rate | 2.6                | 2.6                |
| Salary increases                  | 4.1                | 4.1                |

### Mortality assumptions

The mortality assumptions at the accounting date are based on the recent actual mortality experience of members within the fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below in years.

|                   | As at 31 July 2024 | As at 31 July 2023 |
|-------------------|--------------------|--------------------|
| <b>Males</b>      |                    |                    |
| Currently aged 65 | 20.8               | 21.0               |
| Currently aged 45 | 21.7               | 22.2               |
| <b>Females</b>    |                    |                    |
| Currently aged 65 | 24.0               | 24.1               |
| Currently aged 45 | 25.1               | 25.5               |

| Asset allocation   | As at 31 July 2024 | As at 31 July 2023 |
|--------------------|--------------------|--------------------|
|                    | %                  | %                  |
| Equities           | 50.2               | 51.1               |
| Property           | 10.4               | 10.3               |
| Government bonds   | 8.1                | 1.3                |
| Corporate bonds    | 18.6               | 18.8               |
| Multi Asset Credit | 4.5                | 4.6                |
| Cash               | 0.8                | 1.7                |
| Other              | 7.4                | 12.2               |
| Total              | 100.0              | 100.0              |

| Reconciliation of funded status to balance sheet                 | As at 31 July 2024 | As at 31 July 2023 |
|--|--------------------|--------------------|
|  | £'000              | £'000              |
| Fair value of fund assets  | 393,430            | 365,900            |
| Present value of defined benefit obligation                      | (344,120)          | (331,820)          |
| Surplus/(deficit) on scheme                                      | 49,310             | 34,080             |
| Adjustment gain/(loss) due to restriction of surplus             | (49,310)           | -                  |
| Surplus/(deficit) in the scheme recorded in provisions (note 21) | -                  | 34,080             |

In the financial year ending 2024, we revised our approach to assessing the recognisable surplus. Previously, the entire surplus was recognised, but this year, we have adopted the IAS 19 methodology. This change has resulted in restricting the £49,310k surplus to nil. The split in the liabilities at the last valuation between the various categories of members is as follows:

|                     |     |
|---------------------|-----|
| Active members      | 36% |
| Deferred pensioners | 19% |
| Pensioners          | 45% |

| Amounts recognised in statement of comprehensive income and expenditure | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|---|-------------------------|-------------------------|
|   | £'000                   | £'000                   |
| <b>Operating cost</b>   |                         |                         |
| Current service cost  | 8,270                   | 14,680                  |
| Past service cost   | 180                     | -                       |
| Curtailed cost  | -                       | -                       |
|   | 8,450                   | 14,680                  |
| <b>Financing cost</b>   |                         |                         |
| Net interest cost (note 11)   | (1,910)                 | 2,050                   |
| Expense recognised in statement of comprehensive income                 | 6,540                   | 16,730                  |
| Allowance for administration expenses included in current service costs | 180                     | 140                     |

| Amounts recognised in other comprehensive (expense) / income      | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|---|-------------------------|-------------------------|
|   | £'000                   | £'000                   |
| (Losses) / gain on assets   | 10,120                  | (520)                   |
| Experience (losses) / gain on liabilities                         | 3,330                   | 107,890                 |
| Total amount recognised in other comprehensive (expense) / income | 13,450                  | 107,370                 |

| Movement in deficit                                  | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|--|-------------------------|-------------------------|
|  | £'000                   | £'000                   |
| Opening (deficit)/surplus                            | 34,080                  | (64,223)                |
| Current service cost                                 | (8,270)                 | (14,680)                |
| Past service cost                                    | (180)                   | -                       |
| Employer contributions                               | 8,320                   | 7,660                   |
| Net interest cost                                    | 1,910                   | (2,050)                 |
| Actuarial (losses) / gains                           | 13,450                  | 107,373                 |
| Adjustment gain/(loss) due to restriction of surplus | (49,310)                | -                       |
|  | -                       | 34,080                  |



| Changes to the present value of the defined benefit obligation | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|--|-------------------------|-------------------------|
|  | £'000                   | £'000                   |
| Opening defined benefit obligation                             | 331,820                 | 418,370                 |
| Current service cost   | 8,270                   | 14,680                  |
| Past service cost  | 180                     | -                       |
| Curtailment cost   | -                       | -                       |
| Interest expense on defined benefit obligation                 | 16,370                  | 14,100                  |
| Actuarial losses / (gains) on liabilities                      | (3,330)                 | (107,890)               |
| Contributions by participants                                  | 3,130                   | 2,970                   |
| Net benefits paid out  | (12,320)                | (10,410)                |
|  | 344,120                 | 331,820                 |

| Changes to the fair value of assets  | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|--------------------------------------|-------------------------|-------------------------|
|                                      | £'000                   | £'000                   |
| Opening fair value of assets         | 365,900                 | 354,147                 |
| Contributions by employer            | 8,320                   | 7,660                   |
| Interest income on assets            | 18,280                  | 12,050                  |
| Actuarial (losses) / gains on assets | 10,120                  | (520)                   |
| Contributions by participants        | 3,130                   | 2,970                   |
| Net benefits paid out                | (12,320)                | (10,410)                |
|                                      | 393,430                 | 365,900                 |

| Actual return on assets           | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|-----------------------------------|-------------------------|-------------------------|
|                                   | £'000                   | £'000                   |
| Interest income on assets         | 18,280                  | 12,050                  |
| Actuarial (loss) / gain on assets | 10,120                  | (520)                   |
|                                   | 28,400                  | 11,530                  |

## Risks associated with the fund in relation to accounting

### Asset volatility

The liabilities used for accounting purposes are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield this will create a deficit in the accounts. The fund holds a significant proportion of growth assets which while expected to outperform corporate bonds in the long term creates volatility and risk in the short term in relation to the accounting figures.

### Changes in bond yield

A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes although this will be marginally offset by the increase in assets as a result.

### Inflation risk

The majority of pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are either unaffected or loosely correlated with inflation meaning that an increase in inflation will increase the deficit.

### Life expectancy

The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

### Exiting employers

Employers who leave the Fund (or their guarantor) may have to make an exit payment to meet any shortfall in assets against their pension liabilities. If the employer (or guarantor) is not able to meet this exit payment the liability may in certain circumstances fall on other employers in the Fund. Further the assets at exit in respect of 'orphan liabilities' may, in retrospect, not be sufficient to meet the liabilities. This risk may fall on other employers. 'Orphan liabilities' are currently a small proportion of overall liabilities in the Fund.

### Sensitivity analysis

The approximate impact on the present value of the defined benefit obligation at 31 July 2024 and on the projected service cost for the year ending 31 July 2025 of changing key assumptions by 0.1% is shown below. In each case, only the assumption chosen is altered with all other assumptions assumed to remain the same.

| Discount rate assumption  | +0.1% p.a. | Base figure | -0.1% p.a. |
|---|------------|-------------|------------|
| <b>Adjustment to discount rate</b>  |            |             |            |
| Present value of total obligation (£'000)   | 337.93     | 344.12      | 350.31     |
| % change in present value of total obligation   | -1.8%      |             | 1.8%       |
| Projected service cost (£'000)  | 8.10       | 8.48        | 8.87       |
| Approximate % change in projected service cost  | -4.5%      |             | 4.6%       |
| <b>Rate of general increase in salaries</b>   |            |             |            |
| <b>Adjustment to salary increase rate</b>   |            |             |            |
| Present value of total obligation (£'000)   | 344.81     | 344.12      | 343.43     |
| % change in present value of total obligation   | 0.2%       |             | -0.2%      |
| Projected service cost (£'000)  | 8.48       | 8.48        | 8.48       |
| Approximate % change in projected service cost  | 0.0%       |             | 0.0%       |
| <b>Rate of increase in pensions in payment and deferred pensions assumptions and rate of revaluation of pension accounts assumption</b> |            |             |            |
| <b>Adjustment to pension increase rate</b>  |            |             |            |
| Present value of total obligation (£'000)   | 349.63     | 344.12      | 338.61     |
| % change in present value of total obligation   | 1.6%       |             | -1.6%      |
| Projected service cost (£'000)  | 8.87       | 8.48        | 8.10       |
| Approximate % change in projected service cost  | 4.6%       |             | -4.5%      |
| <b>Post retirement mortality assumption</b>   |            |             |            |
| <b>Adjustment to mortality age rating assumption</b>  |            |             |            |
| Present value of total obligation (£'000)   | 352.72     | 344.12      | 335.52     |
| % change in present value of total obligation   | 2.5%       |             | -2.5%      |
| Projected service cost (£'000)  | 8.78       | 8.48        | 8.18       |
| Approximate % change in projected service cost  | 3.5%       |             | -3.5%      |

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this would apply to the Local Government Pension Scheme and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage.

## Universities and Colleges Retirement Savings Scheme (UCRSS)

The University contributes to a defined contribution scheme for certain support staff and for staff who have opted out of a defined benefit arrangement. The scheme has a non-contributory baseline employer contribution of 7% with matched funding available. A total of £2,075k (2023: £1,707k) was recognised as an expense in income and expenditure in respect of the scheme.

## 27. FINANCIAL INSTRUMENTS

### Risk management

The University carefully monitors and manages the credit, liquidity and interest risk associated with the group's activities. These financial risks are managed within parameters specified by relevant risk and treasury management policies.

The University's Treasury Management and Ethical Investment Policy governs all treasury management activities and sets out relevant policy objectives and control measures. It is reviewed and approved by the University Employment and Finance Committee. The Treasury Management and Ethical Investment Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Services, as issued by Chartered Institute of Public Finance and Accountancy (CIPFA).

The group's principal financial instruments are cash, short-term deposits, and financial derivatives in respect of the University's interest-bearing loans and borrowings. The core objective of these financial instruments is to meet financing needs of the University's operations and to mitigate against volatility and risk. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The University's Financial Regulations and Treasury Management and Ethical Investment Policy lay out the framework for credit risk management. Credit risk is monitored on an on-going basis and arises from bank balances, investments, student debtors and other commercial and government organisations as customers.

At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet. Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of credit becomes uncertain. A debtor deemed irrecoverable is written off. The concentration of risk is limited due to the student base being large and diverse. The University's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and short-term deposit investments. Credit worthiness of the University's banks and lenders is regularly monitored.

### Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds.

At 31 July 2024, the group is holding cash deposits, none of which have a maturity period greater than 12 months.

### Foreign currency risk

Foreign currency risk refers to the risk that the unfavourable movements in foreign exchange rate may cause financial loss to the group. The group's principal foreign currency exposures generally arise from research related receipts and payments denominated in Euros and Dollars. The University has both a Euro and a Dollar current account to help with the management and mitigation of foreign currency risk. All other receipts in foreign currencies are converted into pound sterling unless required for immediate foreign currency payments. Northumbria University Amsterdam B.V. is based in the Netherlands and has income and expenditure primarily in Euros. Overall foreign currency exposure is immaterial, being an insignificant portion of total Income and Expenditure. At 31 July 2024, the sterling equivalent of all euro bank balances was £1,238k (2023: £400k). The sterling equivalent of all dollar balances at this date was £268k (2023: £200k).

### Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of Balance Sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investment risk).

The group's main financing arrangements relate to the secured and unsecured bank loans (see note 20) with a total amount outstanding of £43,860k (2023: £47,196k). Interest is charged at different rates, including fixed rates as a result of interest rate hedging instruments, and an unhedged element at variable rates. In an interest rate swap, the group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. At 31 July 2024, balance sheet values of deposits and cash at bank and in hand are not materially exposed to changes in interest rates. The nature of the hedging instruments associated with the group's secured bank loans means that that group is not significantly exposed to further variability arising from interest rate risk, albeit fluctuations in the fair value of derivative financial instruments are relevant.

### Derivative financial instruments - fair values

The fair value of the University's interest rate swaps is based on Mark to Market valuations which represent the cost to the University if those interest rate swaps were exited.

This interest rate swap is to fix interest rates on the University's secured bank loans, by tranche, as outlined in note 20. The risk being hedged is the University's exposure to variable interest rates. The fair value of the hedging instrument at the year-end is a liability of £2,784k (2023: liability of £1,295k).

During the prior year the University re-assessed the criteria for hedge accounting in respect of the hedge agreements of the Barclays loan and deemed it no longer met the criteria for hedge accounting. The financial impact of the re-classification of hedge accounting has been recognised in equity in the prior year through the Hedging Reserve with hedge accounting having been removed.



## 28. ALTERNATIVE PERFORMANCE MEASURES

A reconciliation of the Consolidated Alternative Performance Measures (APMs) used within the operating and financial review on pages 20-24 of these financial statements is provided below. These are the key non-GAAP measures used by the University to monitor and evaluate performance.

|  | Note | Consolidated            |                         |
|--|------|-------------------------|-------------------------|
|  |      | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|  |      | £'000                   | £'000                   |
| Surplus before other gains (operating surplus) |      | 9,533                   | 12,708                  |
| Interest payable                               | 11   | 868                     | 4,990                   |
| Investment income                              | 6    | (5,305)                 | (5,036)                 |
| Depreciation of tangible fixed assets          | 16   | 20,224                  | 19,253                  |
| Amortisation of intangible assets              | 15   | 1,843                   | 1,100                   |
| Capital grants income                          | 2    | (6,503)                 | (1,082)                 |
| Pension adjustments                            | 26   | 130                     | 7,024                   |
| USS pension provision movements                | 21   | (11,032)                | (1,460)                 |
|  |      | 9,758                   | 37,497                  |

|                                  | Note | Consolidated            |                         |
|----------------------------------|------|-------------------------|-------------------------|
|                                  |      | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
|                                  |      | £'000                   | £'000                   |
| Adjusted net operating cashflows |      | 7,530                   | 22,422                  |
| Capital grants receipts          |      | 6,503                   | 1,082                   |
|                                  |      | 14,033                  | 23,504                  |

|                           | Note | Consolidated       |                    |
|---------------------------|------|--------------------|--------------------|
|                           |      | As at 31 July 2024 | As at 31 July 2023 |
|                           |      | £'000              | £'000              |
| Cash and cash equivalents | 22   | 103,761            | 89,238             |
| Current Investments       | 18   | -                  | 35,000             |
|                           |      | 103,761            | 124,238            |

## 29. U.S DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

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

The amounts presented within the schedules have been:

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

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

|  | Note | Consolidated            |                         |
|--|------|-------------------------|-------------------------|
|  |      | Year Ended 31 July 2024 | Year Ended 31 July 2023 |
| Primary Reserve Ratio  |      | £'000                   | £'000                   |
| Expendable Net Assets  |      |                         |                         |
| Balance Sheet - Net assets   |      | 342,911                 | 386,237                 |
| Balance Sheet - Net assets   |      | 1,182                   | 1,210                   |
| Notes to the financial statements - Trade and other receivables  | 18   | -                       | -                       |
| Notes to the financial statements - Trade and other receivables  | 18   | -                       | -                       |
| Balance Sheet - Tangible fixed assets  | 17   | 315,764                 | 306,672                 |
| Notes to the financial statements - Tangible fixed assets, net book value minus additions in year.     | 17   | 288,470                 | 289,825                 |
|  |      | -                       | -                       |
| Notes to the financial statements - Tangible fixed assets, additions (minus assets under construction) | 16   | 6,957                   | 5,280                   |
| Notes to the financial statements - Tangible fixed assets, assets under construction additions         | 16   | 20,337                  | 11,567                  |
|  |      | -                       | -                       |
|  |      | -                       | -                       |
|  |      | -                       | -                       |
|  |      | -                       | -                       |
| Balance Sheet - Intangible assets  | 15   | 18,310                  | 15,228                  |
| Balance Sheet - Pension provisions   | 21   | 1,970                   | 12,863                  |

**Primary Reserve Ratio**

| Expendable Net Assets cont  |   | Note | Consolidated                     |                                  |
|---|---|------|----------------------------------|----------------------------------|
|   |   |      | Year Ended 31 July 2024<br>£'000 | Year Ended 31 July 2023<br>£'000 |
| Notes to the financial statements - Creditors - amounts falling due after one year, total secured and unsecured loans   | Long-term debt - for long term purposes   | 20   | <b>40,525</b>                    | 47,196                           |
| Notes to the financial statements - Creditors - amounts falling due after one year, total secured and unsecured loans   | Long-term debt - for long term purposes pre-implementation                              | 20   | <b>40,525</b>                    | 47,196                           |
| Notes to the financial statements - Creditors - amounts falling due after one year, new loans in year   | Long-term debt - for long term purposes post-implementation                             | 20   | -                                | -                                |
| Notes to the financial statements - Creditors - amounts falling due after one year, new loans in year   | Line of Credit for Construction in process  | 20   | -                                | -                                |
|   | Lease right-of-use asset liability  |      | -                                | -                                |
|   | Pre-implementation right-of-use leases  |      | -                                | -                                |
|   | Post-implementation right-of-use leases   |      | -                                | -                                |
|   | Annuities with donor restrictions   |      | -                                | -                                |
|   | Term endowments with donor restrictions   |      | -                                | -                                |
|   | Life income funds with donor restrictions   |      | -                                | -                                |
|   | Net assets with donor restrictions: restricted in perpetuity                            |      | -                                | -                                |
| <b>Total Expenses and Losses</b>  |   |      |                                  |                                  |
| Statement of comprehensive income and expenditure - Total expenditure   | Total expenses without donor restrictions - taken directly from Statement of Activities |      | <b>368,084</b>                   | 369,395                          |
| Statement of comprehensive income and expenditure - Investment income, Actuarial gain in respect of pensions, change in fair value of hedging financial instruments | Non-Operating and Net Investment gain/(loss)  |      | <b>30,261</b>                    | (120,799)                        |
| Statement of comprehensive income and expenditure - Investment income   | Net investment gains/ (losses)  | 6    | <b>(5,305)</b>                   | (5,036)                          |
|   | Pension-related changes other than net periodic costs                                   |      | -                                | -                                |

**Equity Ratio**

| Modified Net Assets  |   | Note | Consolidated                     |                                  |
|--|---|------|----------------------------------|----------------------------------|
|  |   |      | Year Ended 31 July 2024<br>£'000 | Year Ended 31 July 2023<br>£'000 |
| Statement of Financial Position - Net assets without donor restrictions                      | Net assets without donor restrictions           |      | <b>342,911</b>                   | 386,237                          |
| Statement of Financial Position - total Net assets with donor restrictions                   | Net assets with donor restrictions              |      | <b>1,182</b>                     | 1,210                            |
|  | Intangible assets - goodwill                    |      | -                                | -                                |
| Statement of Financial Position - Related party receivable and Related party note disclosure | Secured and Unsecured related party receivable  | 17   | -                                | -                                |
| Statement of Financial Position - Related party receivable and Related party note disclosure | Unsecured related party receivable              | 17   | -                                | -                                |
| <b>Modified Assets</b>   |   |      |                                  |                                  |
| Balance Sheet - Total assets   | Total Assets                                    |      | <b>486,464</b>                   | 522,939                          |
|  | Lease right-of-use asset pre-implementation     |      | -                                | -                                |
|  | Pre-implementation right-of-use leases          |      | -                                | -                                |
|  | Intangible assets - goodwill                    |      | -                                | -                                |
| Notes to the financial statements - Trade and other receivables                              | Secured and Unsecured related party receivable  | 17   | -                                | -                                |
| Notes to the financial statements - Trade and other receivables                              | Unsecured related party receivable              | 17   | -                                | -                                |
| <b>Net Income Ratio</b>  |   |      |                                  |                                  |
| Statement of comprehensive income and expenditure - Total comprehensive income for the year  | Change in Net Assets Without Donor Restrictions |      | <b>(28,084)</b>                  | 124,745                          |
| Statement of comprehensive income and expenditure - Total income                             | Total Revenue and Gains                         |      | <b>372,312</b>                   | 377,067                          |





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