



**Northumbria
University**
NEWCASTLE

ANNUAL REPORT AND FINANCIAL STATEMENTS 2024/25





Contents

Vice-Chancellor and Chief Executive’s foreword	4
Chair's introduction	6
Strategic Report	8
Operating and financial review	20
Sustainability and the Environment 24/25	28
Principal uncertainties and how we respond to them	30
Public benefit role	34
Statement of corporate governance	38
Statement of internal control	42
Statement of Board of Governors’ responsibilities in respect of the annual report and financial statements	44
Annual remuneration statement	46
Register of governors and professional advisors	52
Register of interests	56
Independent auditor’s report to the Board of Governors of Northumbria University	58
Financial statements	64
Statement of principal accounting policies	70
Notes to the financial statements	78

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.



Vice-Chancellor and Chief Executive's foreword

I am pleased to introduce the Annual Report and Financial Statements for 2024/25. This report provides a comprehensive overview of the University's activities and achievements during the year, highlighting both our continued progress and the challenges we have navigated in a demanding higher education landscape.

Building on the launch of our University Strategy to 2030 in early 2024, we have continued to be 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.

This year has seen important recognition of our achievements. Following our 2025 Times and Sunday Times Modern University of the Year award, we have continued to demonstrate excellence at subject level, with our nursing programmes maintaining their sector-leading positions in the Guardian University Guide 2026.

The National Student Survey results released in July brought encouraging news, with continued improvement across six of the seven NSS themes, particularly in Academic Support and Organisation and Management. We maintain strong top quartile performance in Learning Resources.

Our research profile continues to strengthen significantly. Seven leading researchers from Northumbria have been selected to support panels for the 2029 Research Excellence Framework—a testament to the esteem in which our research community is held nationally. Research income exceeded £26 million in the year, surpassing our strategic target.

While 2024/25 has brought achievements to celebrate, it has also been a year of considerable challenge. The higher education sector continues to face significant financial pressures from the decade-long domestic tuition fee freeze, declining international student recruitment, and increasing operational costs. However, through careful financial management and strategic planning, we have maintained our financial resilience and continue to invest in our people, our research, and our students.

Our London Campus has performed strongly, and our Transnational Education partnerships continue to develop. We have successfully begun rolling out Claude for Education to staff, positioning us at the forefront of ethical AI integration in higher education.

Throughout the cost-of-living crisis, we have remained dedicated to supporting our students, maintaining our commitment to access, success and progression initiatives alongside hardship support.

Looking forward, we remain focused on sustainable growth. The coming year will see the opening of the University's North East Space Skills and Technology Centre (NESST) and state of the art teaching facilities in Durant Hall, alongside other exciting plans for our campus. The new Faculty and School structures provide an excellent framework for driving performance improvements while building on our proven strengths.

I am incredibly proud of all that we have accomplished together over the past year, particularly given the challenging external environment. As we move forward under the guidance of our 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

"WE HAVE REMAINED DEDICATED TO SUPPORTING OUR STUDENTS, MAINTAINING OUR COMMITMENT TO ACCESS, SUCCESS AND PROGRESSION."

PROFESSOR ANDY LONG
Vice Chancellor
and Chief Executive

Chair's introduction



Northumbria University's Annual Report and Financial Statements for 2024/25 reflects a year of continued progress and achievement as the University continues to implement its Strategy to 2030.

The higher education sector continues to navigate uncertainty around student fees, international student recruitment and rising costs. These sector-wide pressures have required university Governing bodies to adapt their approaches and make difficult decisions. At Northumbria, the Board works closely with the Vice-Chancellor and Executive team to maintain financial sustainability while ensuring the University delivers its core business of high quality education and world-leading research. Through careful planning and strategic focus, Northumbria has maintained its ability to invest in its future.

Northumbria's recognition as The Times and Sunday Times Modern University of the Year 2025 and our ranking in the top quartile nationally for the proportion of graduates entering highly skilled employment, demonstrate the University's sustained excellence and commitment found throughout our dedicated community of staff and students. I and the Board are incredibly proud of these achievements which are down to the ambition and hard work of our people.

We look forward to the opening of NESST and Durant Hall in the coming year which represents important progress in the investment in our city campus. These new facilities will enhance teaching and research activities, providing modern spaces for collaboration and learning that will benefit our students and staff for years to come.

In my role as Pro-Chancellor, I have witnessed the commitment and professionalism of staff across all areas of the University. At graduation ceremonies, research events, and other occasions throughout the year, the positive impact of Northumbria's work on students and the wider community is evident. With over 35,000 students from more than 140 countries and approximately 3,500 staff, Northumbria remains one of the largest universities in the UK with a truly international reach.

The University's ambition continues to grow, with research income exceeding £26 million for the first time, and new grants valued at over £36 million. Seven Northumbria academics have been appointed to official panels for the 2029 Research Excellence Framework, reflecting the University's growing reputation for high quality research.

The Board recognises the dedication of the University community in maintaining high standards while adapting to the ever increasing sector-wide challenges. The evolving regulatory landscape and economic pressures have required agility and innovation across all areas of the University. This adaptability has enabled Northumbria to continue to achieve its ambitions, pursuing its strategic objectives and investing in its future.

Looking ahead, the Board will continue to provide oversight and governance while working with the Executive to position Northumbria for a sustainable and exciting future. The focus remains on attracting high quality students, supporting our world-leading staff, and contributing to the economic and social development of the North East region.

On behalf of the Board, I extend thanks to all University staff for their continued professionalism and commitment. Their work across all areas of the institution has enabled Northumbria to maintain its position as a leading modern university. I would also like to thank my fellow governors for their expertise and ongoing dedication and contribution.

In 2025/26 the University will continue building on its strengths, pursuing the ambitious goals set out in its strategy, and reinforcing its position as an important institution for the North East and beyond.

Roberta C. Blackman-Woods

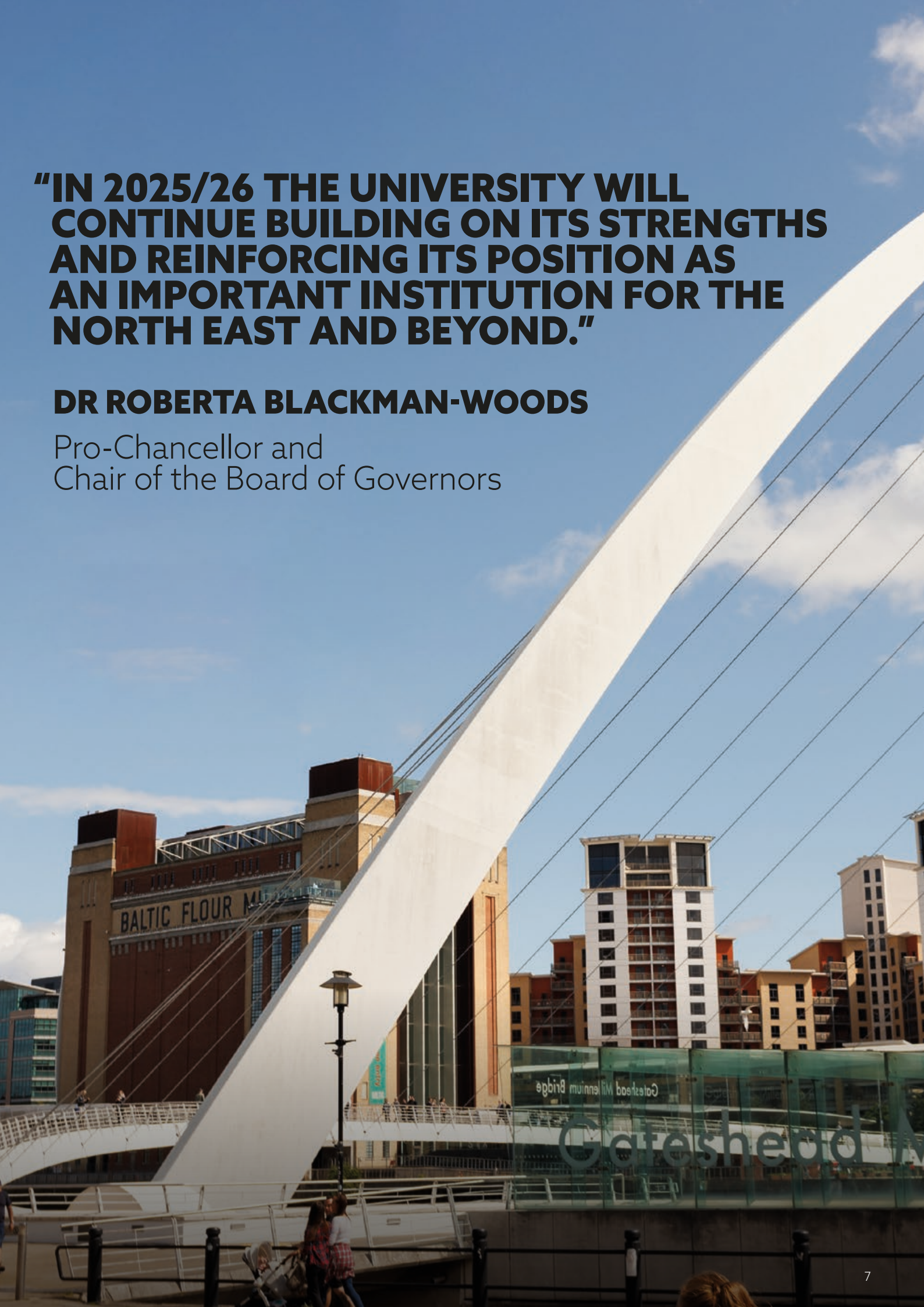
Dr Roberta Blackman-Woods

Pro-Chancellor and Chair of the Board of Governors

"IN 2025/26 THE UNIVERSITY WILL CONTINUE BUILDING ON ITS STRENGTHS AND REINFORCING ITS POSITION AS AN IMPORTANT INSTITUTION FOR THE NORTH EAST AND BEYOND."

DR ROBERTA BLACKMAN-WOODS

Pro-Chancellor and
Chair of the Board of Governors



STRATEGIC REPORT

2024/25

Northumbria University: Progress and performance against our University Strategy 2030

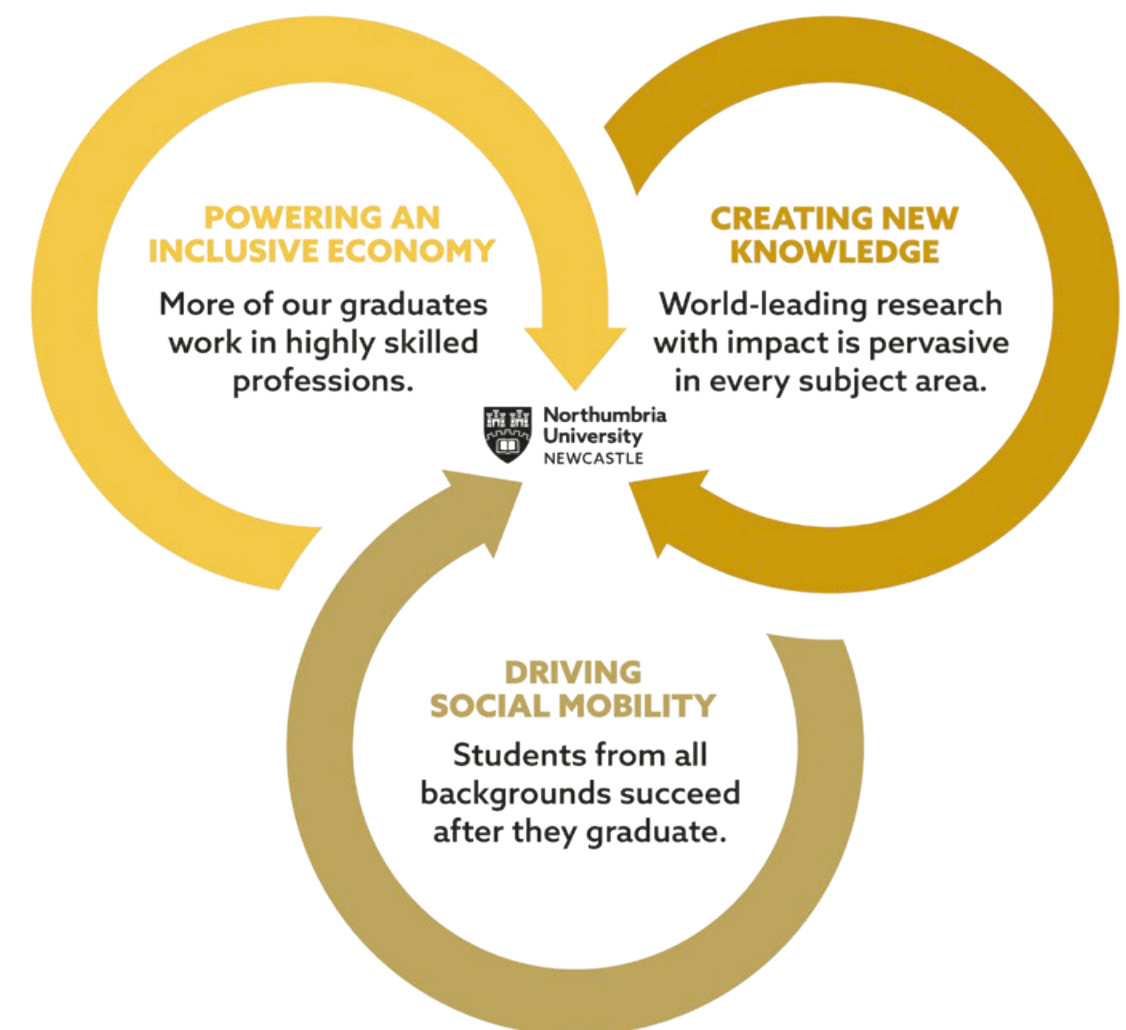
Our Vision and Strategic Context

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 remarkable success 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 empowers our students to achieve their career and life ambitions beyond graduation.

Three interconnected Strategic Ambitions of equal priority drive our work: Powering an Inclusive Economy, Creating New Knowledge, and Driving Social Mobility. These ambitions apply to all of our academic disciplines and are being delivered through our campuses in Newcastle and London and through global partnerships.



STRATEGIC AMBITION 1: POWERING AN INCLUSIVE ECONOMY

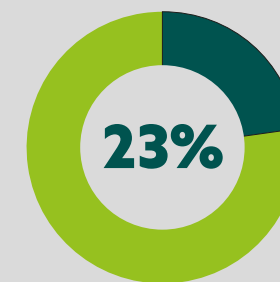
Excellent, impactful research drives high quality taught content, fostering ever stronger relationships with our partners. These partnerships and research-enriched education are critical in supporting experiential learning for our students. The opportunity to apply knowledge in career-related, practical settings develops the talent and skills that employers value and need, producing distinctive advantages to our graduates as they approach the job market.



2024/25 Performance

Graduate Outcomes

Northumbria continues to demonstrate strong performance in preparing graduates for highly skilled employment. Graduate outcomes data for 2022/23 leavers shows our position remained in quartile 2, with graduate prospects at 76.7%. While our overall sector rank moved from 50th to 51st (out of 131 Times providers), we consolidated our top quartile position for skilled work, achieving 26th rank (+7 places), providing a robust foundation for strategic development.



Of all first degree graduates employed in the North East of England in highly skilled employment from recent cohorts were graduates of Northumbria University, reflecting our significant regional impact.

We remain in the top 30 in the UK for the number of full-time UK graduates entering highly skilled employment.

The current strategic challenge lies in Further Study uptake, which declined from 9.1% to 7.4% (-26 rank positions, rank 100), likely reflecting cost and value-for-money concerns among our widening participation student demographic. Collaborative work with Marketing colleagues is underway to develop appropriate postgraduate offerings and pricing strategies.

Graduate Business Start-ups and Enterprise

Business turnover is over £155m and over 1,450 jobs created (Higher Education Business and Communities Interaction Survey for 2022/23).



TOP 10

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.

Value-Added Performance

Northumbria continues to rank highly for 'value-added' – a measure of student learning gain at university. The University ranks 28th in England for the average entry points of its students and =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.

Experiential Learning: Transforming the Student Experience

A defining feature of our strategy is the comprehensive rollout of experiential learning across all undergraduate programmes. In 2024/25, 91% of undergraduate programmes now offer 60+ core credits of experiential learning (rising to 100% when including optional modules), covering 95% of UG students. This rigorous definition requires 60 credits of core experiential learning to be mandatory for all students, ensuring experiential learning is embedded as an essential element of the student experience.

A comprehensive mapping exercise identified diverse experiential learning opportunities including work placements, live projects, field work, simulations, and community engagement activities across our campuses. The Northumbria Experiential Online Learning Hub launched in February 2025, with a student-facing webpage following in June 2025 to showcase the breadth of real-world learning opportunities to prospective students.

STRATEGIC AMBITION 2: CREATING NEW KNOWLEDGE

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.

2024/25 Performance: Record-Breaking Research Success

Research Funding Applications and Awards

2024/25 marked a record-breaking year for research funding at Northumbria University. Research funding applications totalled £258.5m (excluding partner payments), representing a 16% increase in value versus 2023/24 and the highest annual level ever submitted. This included a 3% increase in the number of applications, with a marginal 3% shift towards higher-value applications (>£200k), demonstrating growing ambition and capacity.

↗ **£36.2m**

Research awards reached £36.2m in 2024/25, exceeding the ambition for the year (£35.9m) and representing the highest annual level of research funding ever received by Northumbria.

64%

Performance varied by faculty, with Health and Wellbeing exceeding ambition by 64% (£13.3m vs £8.1m).



Research Grant and Contract Income (RGCI) excluding partnership payments reached £26.4m, Northumbria's highest ever annual total, surpassing the £20m achieved in 2021/22. This represented a 45% increase on 2023/24 (£18.1m) and the highest ever yearly increase (£8.2m).

Major Research Funding Successes 2024/25

UKRI Future Leaders Fellowships (September 2025) Two Northumbria researchers were awarded over £1.2 million each from UKRI's flagship Future Leaders Fellowship fund. Dr Charlotte Götz, Assistant Professor in Space Physics, received funding to study comet interactions with solar wind and solar system formation. Dr Helen Williams received funding for research in book history, focusing on women's work and experimental novel production.

Academy of Medical Sciences Professorships £1 million awarded to two biomedical researchers – only three awards granted nationally in this round, with Northumbria securing two. Professor Emile R. Chimusa (first Black African to receive this award) received funding to establish bioinformatics and computational biology research using AI for disease-risk prediction, particularly prostate cancer in diverse ethnic groups.

Professor Simon Johnson received funding for research into genetic mitochondrial disease, specifically Leigh Syndrome.

NIHR Funding Success 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 across the North East and North Cumbria, including funding for up to 30 Masters in Research (MRes) studentships.

Two Northumbria academics were awarded prestigious five-year NIHR Senior Clinical and Practitioner Research Awards (SCPRA) – Dr Kate Hackett for research into nature-based interventions for people with long-term conditions, and Dr Allison Farnworth for transforming reproductive healthcare.

BBSRC North East England Doctoral Landscape in Biosciences (NEEDL) Almost £6 million awarded by UKRI's Biotechnology and Biological Sciences Research Council to Northumbria, Newcastle (lead), Durham and Teesside universities. This will fund 100 doctoral studentships over eight years (20 per year: 10 BBSRC-funded, 10 partner-funded), beginning October 2025.

ESRC RE:PLAY Project Almost £800,000 from the Economic and Social Research Council (total project value £1 million) for a three-year study led by Professor Nic Whitton examining the effectiveness of playful learning in higher education.

STRATEGIC AMBITION 3: DRIVING SOCIAL MOBILITY

We want to ignite aspiration and remove barriers for the broadest range of communities. The opportunity to apply knowledge in practical settings produces distinctive advantages to our graduates, especially for those who are first in their 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 focus on attracting people from all backgrounds to study at Northumbria.

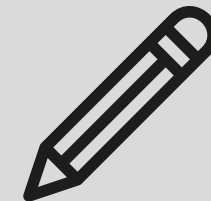
We are leading the way in social mobility and Northumbria has the highest proportion of students from Widening Participation backgrounds of English Universities in the top 25 for research power. We are proud that 55% of our undergraduate cohort comes from the North East of England and that 63% of our graduates go into highly skilled employment in the region. Furthermore we work closely with local authorities and the London Mayors Office to ensure our London Campus portfolio aligns to the London Skills Plan.



2024/25 Performance: Outstanding Progress

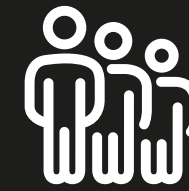
Student Recruitment from Low Participation Backgrounds

Northumbria achieved exceptional performance across key social mobility metrics in 2024/25:



38.6%

Of new UK undergraduate enrolments from low participation backgrounds (POLAR4 quintiles 1&2), up from 35.9% in 2023/24, approaching our c.40% strategic target.



90.4%

Retention rate for students from low participation backgrounds (2023/24 entrants), up from 87.7% (2022/23 entrants), in line with improved retention of all new UK UG students (92.7% vs 90.0%)



5,835

Applications from low participation backgrounds (34.8% of total for 2025/26 entry), increased from 5,361 (33.7%) for 2024/25 entry

Career readiness for students from low participation backgrounds remained at 15.0% (down from 15.3% in 23/24), representing a smaller decline than the overall student population (15.1% vs 16.1%), demonstrating the University's commitment to supporting these students' career development through targeted interventions.

Our Commitments: How We Deliver Our Ambitions

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. We are making five Commitments about how we will act while delivering our Strategic Ambitions.



**Commitment 1:
We Deliver an
Outstanding Experience
for All Students**

National Student Survey (NSS) 2025: Fourth Consecutive Year of Improvement

Northumbria achieved its fourth consecutive year of improvement in NSS results, with year-on-year improvements in six of seven themes. Notable gains included:

- Academic Support: improved from 84th to 59th rank
- Organisation & Management: improved from 55th to 38th rank
- These improvements reflect targeted interventions and strategic investment in the student experience.
- NSS 2025 theme performance:
- Learning Resources: Q1 (Top quartile - maintained)
- Academic Support: Q2 (improved from Q3)
- Organisation & Management: Q2 (maintained)
- Assessment & Feedback: Q3 (moved from Q2)
- Learning Opportunity: Q3 (maintained)
- Student Voice: Q3 (maintained)
- Teaching on my Course: Q4 (declined from Q3)

The University continues to implement a comprehensive action plan addressing both systemic and programme-specific challenges, with targeted interventions in high-volume areas requiring improvement, including Criminology and Sport & Exercise Science.



**Commitment 2:
We Are a Place Where
Colleagues Feel They Are
Valued and Proud to Work**

Staff Engagement

A pulse survey in November 2024 achieved a 49% response rate (1,678 colleagues out of 3,449), with an overall engagement index of 70.4% compared to 71% in the previous year. The survey revealed strengths in flexible and hybrid working, collaborative environment, and pride in the University’s social mission. Areas for improvement included resource allocation, workload management, and administrative systems. A full staff engagement survey is scheduled for 2025/26.

Academic Development and Promotion

In the 2023/24 Academic Development Review cycle, 155 colleagues participated: 110 received detailed feedback and 45 (29% of colleagues) were promoted. 86 males (28% promoted) and 69 females (30% promoted) participated, demonstrating continued commitment to career development.



**Commitment 3:
We Promote Fairness in
a Community Where All
Staff and Students Feel
They Belong**

Pay Gap Progress: Significant Achievements

Significant progress was made towards eliminating median pay gaps by 2030:

- Gender pay gap: Reduced from 15.8% to 13.9% (1.9% improvement)
- Ethnicity pay gap: Reversed to -2.9%, meaning BAME staff median pay now exceeds that of White staff
- Disability pay gap: Substantially reduced from 13.4% to 6.7%

Notably, when disaggregated by staff group, both academic and professional services staff now report a 0% median disability pay gap, a significant milestone reflecting improved disclosure rates and focused action planning.

Targeted activity to encourage self-disclosure materially reduced ‘Not known’ across protected characteristics:

- Ethnicity: from 2.8% to 0.6%
- Disability: from 13.6% to 3.2%
- Gender identity: from 66.2% to 23.0%
- Sexual orientation: from 67.9% to 23.2%
- Religion: from 54.3% to 24.5%

Workforce Profile

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

Awards and Recognition

In July 2025 we achieved Athena Swan institutional silver. We have held the bronze award since 2015. In Oct 2025, we also achieved our first silver award for the faculty of Business and Law (now part of the faculty of Society and Culture). 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, joining our academic departments. All of our other departments (now schools) hold Athena Swan Bronze Awards.

In 2024, Northumbria was awarded a Race Equality Charter Bronze Award by Advance HE, recognising our commitment to addressing inequalities and advancing race equality.



**Commitment 4:
We Play a Leading Role in
the Economic and Social
Transformation of the
North East and Beyond**

Regional Impact and GVA

Northumbria’s contribution to UK Gross Value Added was measured at £1.6bn in 2023/24, with the next report scheduled for 2027.

Strategic Partnerships

In 2024/25, Northumbria maintained a focus on partnerships delivering strategic benefit, reflecting a more rigorous and deliberate approach to evaluating the strategic nature of external relationships. Through the Relationship Management Group, we have developed a tiered framework distinguishing between Tier 1 partnerships (large-scale, complex, cross-functional) and Tier 2 partnerships (significant in scale but more focused in scope).

This refined approach supports our commitment to play a leading role in economic and social transformation, building more impactful, sustainable partnerships. Potential opportunities have been identified with Newcastle United Foundation, Energy Central Campus/OREC, Port of Tyne, Sage, Hitachi and Otriv.

In London we also work closely with The Mayors Office, Local Authorities and London Higher to ensure we play an key role in driving forward their Skills and Growth Plan.

Universities for North East England (UNEE)

Building on existing positive collaboration, the five North East universities launched “Universities for North East England” (UNEE) to harness collective power and focus on the economic, social and cultural success of the North East.

The collaboration enables us to work as one with public and private partners, including the North East Combined Authority (NECA) where universities represent the sector on various agendas, with Northumbria leading on the Environmental and the Education, Inclusion and Skills advisory boards.



Commitment 5: We Drive Sustainability Through Our Research, Education and Operations

Carbon Emissions Performance 2024/25
The University achieved a 10.5% reduction in Scope 1 & 2 emissions compared to 2023/24, which is 63% lower than the 2014/15 baseline.

This reduction continues the year-on-year downward trend and reflects sustained commitment to reducing operational carbon emissions through lifecycle replacement of plant and equipment. Enhanced metering is improving data accuracy and guiding investment decisions.

The primary strategy for reducing Scope 1 and 2 emissions over the next five years focuses on embedding decarbonisation into major estates developments and refurbishment programmes. A comprehensive review of the decarbonisation plan is scheduled for 2025/26 to align with external drivers and institutional financial position.

Sustainability Rankings



Northumbria is **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.

UK National League Tables 2026
League Tables and External Recognition

League table	Current Ranking	Last Year
UK Ranking		
Complete University Guide	37	34
Times Good University Guide	47	43
Guardian University Guide	47	38
Worldwide Ranking		
Times Higher Education World Rankings	401-500	401-500

Northumbria was named Modern University of the Year in the Times/Sunday Times Good University Guide 2025, recognising excellence among post-1992 universities.





↓ OPERATING AND FINANCIAL REVIEW

2024/25

Financial performance and position

Despite a challenging operating environment, the University recorded a surplus before tax. Research income continued to grow significantly, from £18.0m to £26.4m and growth in this area remains a key part of our University strategy going some way to offset the in-year reduction in tuition fee income of £29.6m.

Our continued careful management of our cost base, both in terms of staff and non-staff costs, ensured that we performed well against our budget as we move into the first year of our ambitious five-year Medium-Term Financial Plan.

Total income

£373.2m

(2023//24: £377.6m)

Total income decreased by 1.1%, with increased research income offset by a reduction in tuition fees.

Tuition Fee Income

£259.4m

(2023//24: £289.0m)

Tuition fee income reduced by 10.2%, reflecting lower student numbers for both home and international students.

Research Income

£26.4m

(2023//24: £18.0m)

A record year for research grants and contracts income, with £8.4m growth and a strong pipeline for 2025/26.

Operating Surplus

£0.5m

(2023//24: £9.5m)

Against a challenging backdrop the University delivered a small operating surplus, with costs managed carefully to offset the reduction in income.

Net operating cashflow

£6.2m

(2023//24: £7.5m)

The underlying performance continues to be cash generative, despite the reduction in income.

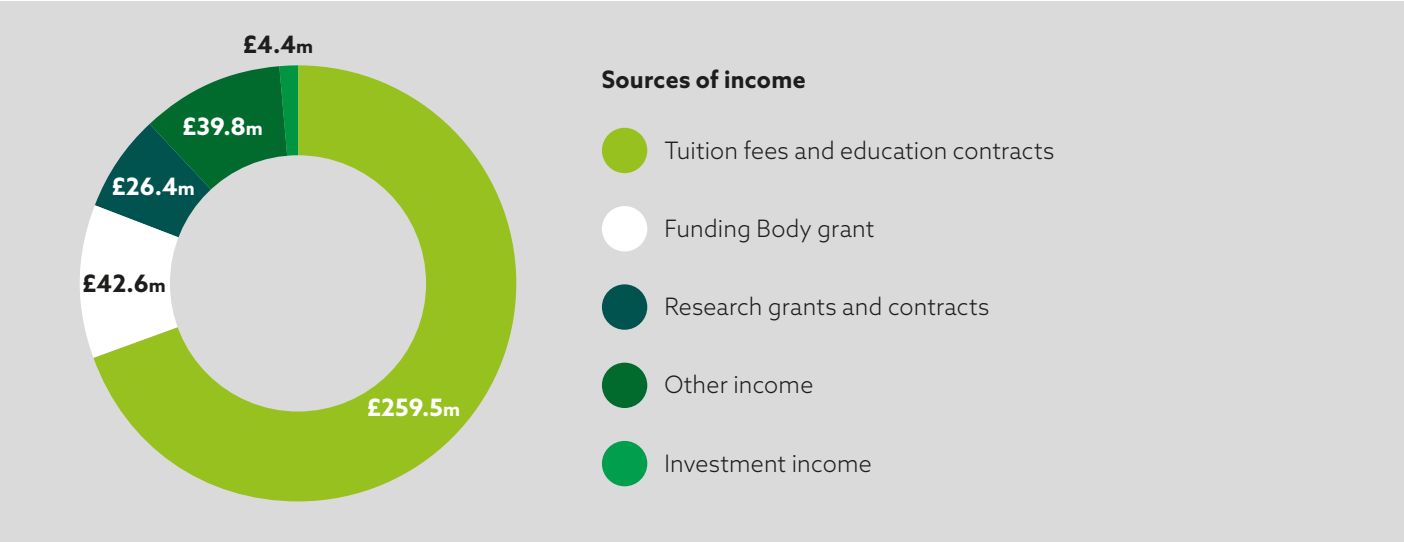
Cash and investments

£79.3m

(2023//24: £103.8m)

The University has strong cash reserves and has continued to invest, particularly in capital expenditure on our Newcastle city campus.

Income

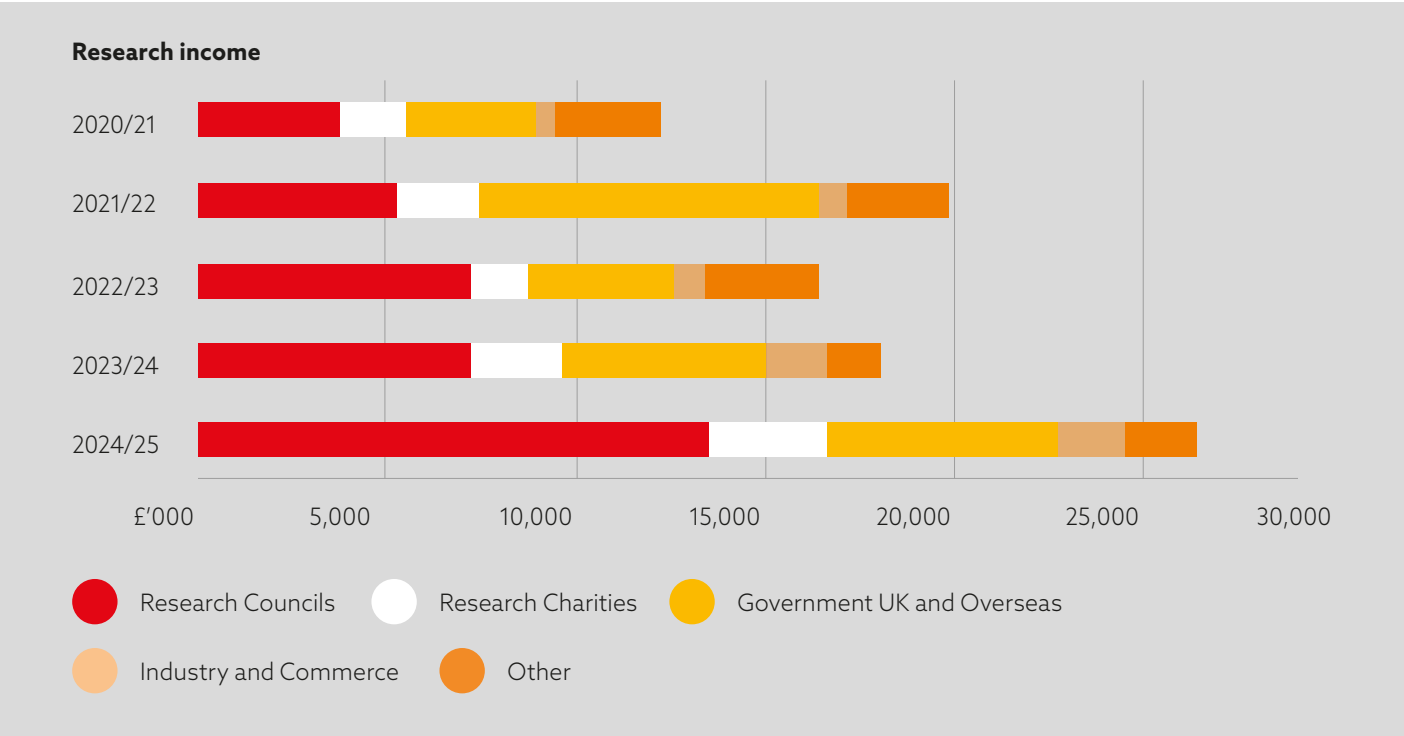


Tuition Fee Income

Decreased year on year from £289.0m to £259.4m. This reflected lower home and international student numbers. However, our London Campus continued to perform well despite the challenging international market, generating revenue of £39.7m (24/25: £42.0m) and the outlook is encouraging for 2025/26.

Research grants and contracts income

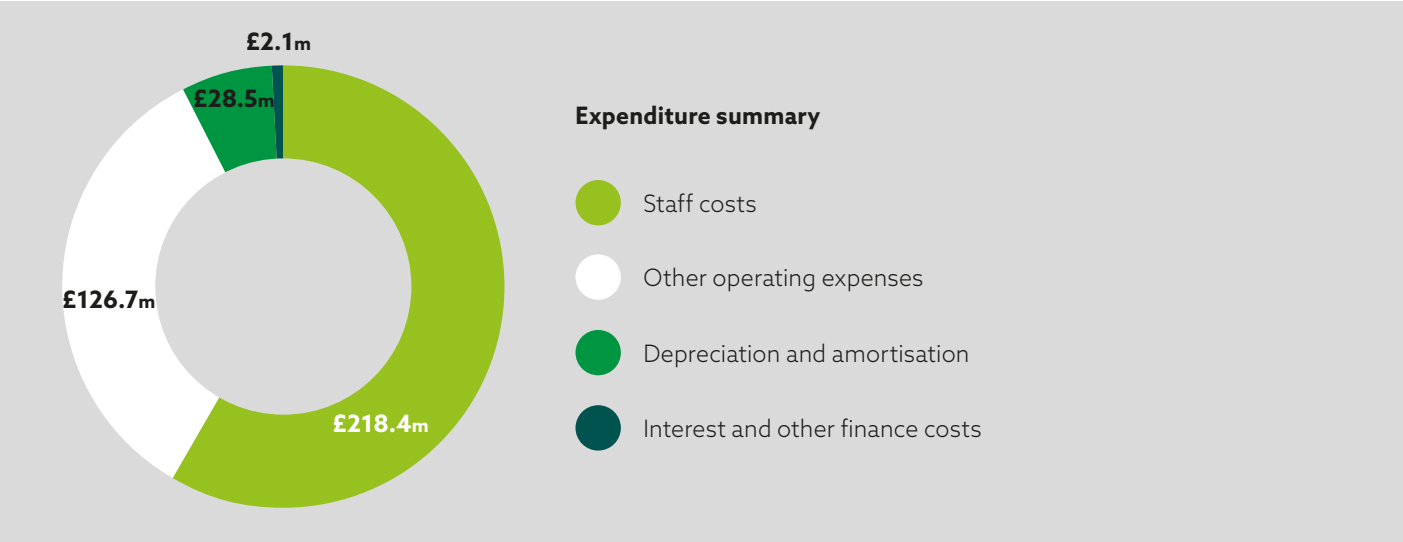
Increased by 47%, continuing the upward trend of recent years. In addition, there is a strong pipeline of secured new awards giving confidence for future research income performance. Continuing to grow this income stream is a key pillar of the University strategy to 2030.



Other Income

Including revenues from our student accommodation and collaborative ventures decreased by £1.6m to £40.2m. Whilst income from accommodation remained relatively stable, there was a significant reduction in income from collaborative ventures, which includes our Transnational Education partnerships. Other Income also reduced due to the reduction in activity of the NMC OSCE centre.

Expenditure



Staff costs (before exceptional pension credit) increased marginally from £217.4m to £218.4m. Staff costs represented 58% of the total expenditure for the University and were managed carefully during the period to offset the increased costs driven by the sector pay award, increased national insurance contributions from April 2025 and the ongoing high cost of pensions, particularly the Teachers' Pension Scheme.

Other operating expenses totalled £126.7m, which is a £12.1m reduction from 2024/25. However, a large part of this reduced expenditure is linked to reduced income from our London Campus joint venture. We continue to monitor and manage non-staff expenditure to ensure it is driving the student experience and the strategic objectives of the University.



Architect's drawing of the North East Space Skills and Technology Centre

Capital Investment

We have invested significantly in improving our city campus, with £40.1m spent on tangible assets and £4.3m on software and IT infrastructure improvements. A large portion of this investment was in the North East Space Skills and Technology Centre, the total investment in which will exceed £50m, and which is rapidly taking shape as part of our ongoing development of the South Quad area. We received £10m in capital grants from the Space Clusters Infrastructure Fund towards this facility which will house world-leading space experts and unite industry with academia, to transform the UK space economy. The project is also supported by the space and satellite division of Lockheed Martin.

Exceeds
£50m

A large portion of this investment was in the North East Space Skills and Technology Centre, the total investment in which will exceed £50m.



Other key investments in the period included:

- Ongoing major refurbishment of Durant Hall to provide high quality lecture theatres which will be ready for the 26/27 academic year



Durant Hall Refurbishment

Ongoing major refurbishment of Durant Hall to provide high quality lecture theatres which will be ready for the 26/27 academic year

WE HAVE INVESTED SIGNIFICANTLY IN IMPROVING OUR CITY CAMPUS, WITH £40.1M SPENT ON TANGIBLE ASSETS.

- Investment in the Northumbria Materials Characterisation Laboratory that houses a regionally unique and nationally competitive ion beam scanning electron microscope, a dual polarity secondary ion mass spectrometer, a Raman spectrometer and two atomic force microscopes.
- Fitting a state of the art, technically enabled teaching laboratory that can accommodate up to 54 students in an effective learning environment and provides an equivalent experience to commercial laboratory spaces. Furthermore, a 10 bay microscopy suite was created to house the University's £1m investment in microscopes alongside a collaborative data processing facility.
- Further investment in High Performance Computer capacity (£1.2m).

Cash and liquidity

In line with our plans to invest in our Strategy as outlined in the Capital Investment section, cash and cash equivalents were £79.2m, down from £103.7m at 31 July 2024. Investment income of £4.4m was earned in the year as a result of continuing to maximise investment opportunities and the continuation of relatively high interest rates. A further £3.3m of the loan balance with Barclays bank was repaid during the year, with a remaining balance of £40.5m which will be fully repaid by 2037.

Financial outlook and assessment of going concern

The University's performance in the year to 31 July 2025 delivered positive operating cash flows of £6.2m, demonstrating resilience against a challenging backdrop and enabling investment in strategic programmes of work including NESST and Artificial Intelligence.

The outlook for future years remains challenging. Staff cost inflation is a particular challenge especially in relation to the significant cost of pensions for the university. Whilst there has been some movement on the UK student fees level, increasing competition for overseas and UK students makes the need to continue with income diversification plans and cost management clear. This is the clear objective of the University's Medium-Term Financial Plan.

The strong financial results in recent years have helped build a strong financial base and a cash buffer of £79.2m at the 2024/25-year end.

This continues to provide both a safety net in the event of further unexpected challenges, and a strong base from which to invest in the future infrastructure of the university.

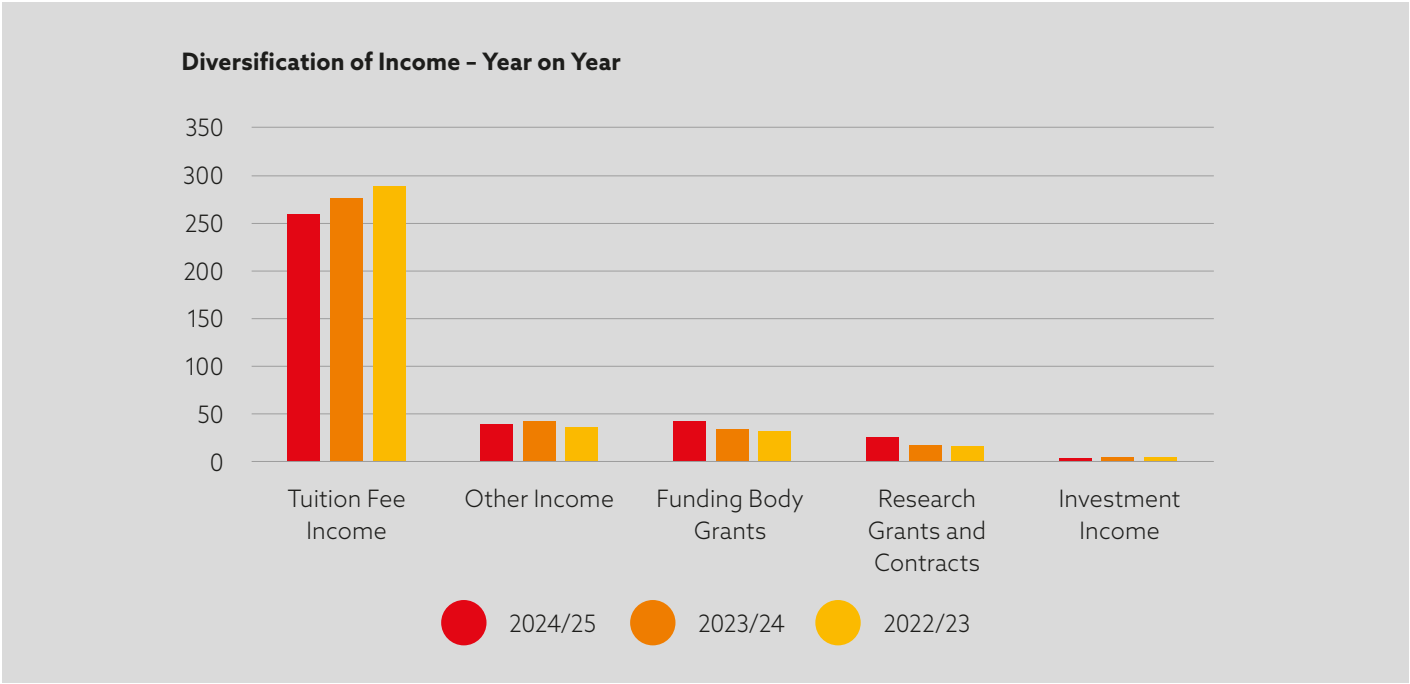
The risks and uncertainties which remain – especially relating to UK government policy and global economic and political uncertainty – continue to be closely monitored and managed. The University's annual planning and budgeting round has again been used to ensure that the strong financial position can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

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

The Board of Governors has assessed the University's going concern status and is confident that there are adequate resources and plans to continue to meet obligations and to perform our operations. In reaching this conclusion, the Board has reviewed the activities, plans and processes in place that 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 and considers the University to be financially sustainable, with key items providing assurance to the Board being:

- The embedding of our Medium-Term Financial Plan, and the supporting income growth and diversification and cost efficiency plans;
- Regular reviews of performance against budgets and forecasts, using net adjusted operating cashflow as a key performance indicator relevant to financial sustainability;

- The University's strategic risk register, and the reporting on this via the Finance & Resources committee 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

2024/25

Our commitment to sustainability and environmental stewardship remains a core pillar of the University Strategy 2024–2030. We recognise the urgent challenge of climate change and the need to safeguard natural resources for future generations. Guided by the UN’s global sustainability goals, we are dedicated to creating a positive environmental impact while embedding sustainability across our teaching, research and campus operations.

We are ranked 53rd in the global Times Higher Education Impact league, which ranks 2526 universities from 130 countries, evidencing the international reach of our research and education, and were delighted to receive Highly Commended in the Green Gown Awards for our research in renewable energy.



53rd

We are ranked 53rd in the global Times Higher Education Impact league, which ranks 2526 universities from 130 countries.

Northumbria’s decarbonisation programme is progressing well, with the commissioning of our Coach Lane Air Source Heat Pumps (ASHPs) and the installation of a renewable energy solar array, funded through a Public Sector Decarbonisation Scheme (PSDS) grant. In addition, projects funded by a further PSDS grant have now commenced, expanding ASHP installation across additional buildings and supporting our long-term ambition to fully remove gas-fired heating from our estate.

Complementing our energy and emissions work, we have launched a new Biodiversity Action Plan and implemented a range of initiatives to green the campus, including tree planting and enhanced green spaces.

Northumbria strengthened its commitment to sustainable travel by achieving Cycle Friendly Employer status and hosting its first-ever Bike Week. The event promoted cycling as a healthy, low-carbon mode of transport through guided rides, maintenance workshops, used bike sales, safety sessions and engagement activities highlighting initiatives such as our Cycle-to-Work scheme and campus facilities. Well attended and positively received, Bike Week is set to become an annual fixture, supporting our ambition to reduce emissions and encourage active travel.

The University continues to deliver against its Environmental Sustainability Policy, earning recognition as a ‘First Class University’ in the People & Planet University League, where we rank 10th Nationally and are the highest-ranked institution in the North East. We also maintained our ISO 14001 certification following rigorous external recertification audit, underlining the strength of our Environmental Management System.



First Class University

Earning recognition as a ‘First Class University’ in the People & Planet University League, where we rank 10th Nationally and are the highest-ranked institution in the North East.

Looking ahead, Northumbria will continue to advance its sustainability agenda, setting high standards for the sector.

↓ PRINCIPAL UNCERTAINTIES AND HOW WE RESPOND TO THEM

2024/25

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>SR1: Staff are not motivated, engaged, or aligned with the University’s ambitions</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>SR2: Inability to recruit and retain high quality staff, while diversifying our staff base</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>SR3: Failure to improve quality and impact of research and knowledge exchange activity</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>SR4: Failure to grow research, grants and contract income through research and knowledge exchange activity</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, and the University is on track to hit its targets for RGCI in the medium term.</p>
<p>SR5: Teaching and learning does not allow students to reach their full potential</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>SR6: The University does not provide an exceptional student experience</p> <p>We 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>SR7: Student income targets for the strategy period are not met</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 and a changing international market, mean that the University has repositioned its market analysis and recruitment focus; a new Strategic Delivery Plan focusing on Size and Shape helps to refocus the University’s student recruitment strategy.</p>	<p>SR8: The University does not have a strong and sustainable global presence</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>SR9: The University has a significant legal or regulatory compliance failure</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. The University’s Regulatory Compliance Group underpins the University’s compliance assurance with its primary regulators, and reports to the Board of Governors.</p>	<p>SR10: The University is not financially sustainable</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>SR11: Failure to enhance and maintain the functional suitability of the University’s infrastructure</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>SR12: The University is unable to sustain its positive impact on social mobility</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>SR13: The University does not have a positive, lasting impact on environmental sustainability</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>SR14: Failure to enhance and grow the University’s reputation, market position, influence and partnerships</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 in the context of challenging conditions in the sector. 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>SR15: The University does not sufficiently protect its people and infrastructure from security threats</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 provides an annual security assurance report to the Board of Governors.</p>	<p>SR16: The University does not deliver change or large strategic projects effectively</p> <p>Targeted changes to service structure, including a merger between the IT and Transformation teams into the 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

2024/25

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 2024/25, 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 2024/25, the University invested over £6.5 million in access, success and progression, including £1.1 million in financial support for students.
- 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 2024/25 the programme engaged 284 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, and Gateshead Centres, 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 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.





STATEMENTS OF CORPORATE GOVERNANCE

2024/25

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 June 2025 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, vision, 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 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 Finance and Resources, People, Strategic Performance, Audit, Nominations and Remuneration. The Academic Board, chaired by the Vice-Chancellor and Chief Executive, makes reports to the Board of Governors.

- 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
Finance and Resources Committee	<ul style="list-style-type: none">Approves and monitors finance strategy, estates, IT and other capital projects to support the University Strategy 2030.
People Committee	<ul style="list-style-type: none">Approves and monitors employment strategy and policy.
Strategic Performance Committee	<ul style="list-style-type: none">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.
Remuneration Committee	<ul style="list-style-type: none">Oversight of the remuneration policy and remuneration of senior staff.Determines base pay decisions of senior staff.
Audit Committee	<ul style="list-style-type: none">Provides assurance to the Board of Governors on the adequacy of the University's framework for financial compliance and integrity.Oversight of internal and external audit arrangements.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.
Nominations Committee	<ul style="list-style-type: none">Oversight of corporate governance arrangements, including Governor recruitment and development.Makes recommendations to the Board on its membership and that of its Committees.
Academic Board	<ul style="list-style-type: none">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.Remit includes academic quality and standards and enhancement, the student experience and research and innovation activities.Sub-committees oversee education, research, knowledge exchange and international policy and performance matters.

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 2024 to 31 March 2025

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 2024 to 31 March 2025

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
43	41.43

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%	0
1-50%	41
51-99%	2
100%	0

The percentage of the total pay bill spent on facility time

Total cost of facility time	£277,513
Total pay bill	£213,454,000
Percentage of the total pay bill spent on facility time	0.13%

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
14.02%



STATEMENT OF INTERNAL CONTROL

2024/25

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.

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

2024/25

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 group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. 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 parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements, the 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 they either intend to liquidate the group or the parent University or to cease operations or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors 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;
- funds provided by the Office for Students and Research England have been applied in accordance with the 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

2024/25

This Annual Remuneration Statement 2024/25 complies with the Higher Education Senior Staff Remuneration Code, published by the CUC in June 2018, and the Office for Students' Regulatory Advice 9: Accounts Direction. The Statement is a feature of the University's Annual Report and Financial Statements 2024/25.

The Remuneration Committee's remit and membership for 2024/25 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, for those in North of England HEIs and for those in institutions considered to be in a relatively similar position in terms of research power.
- 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 for those in HEIs in the North of England.

Below is a breakdown of the Vice-Chancellor and Chief Executive’s remuneration for 2024/25 (and 2023/24) for comparative purposes):

AUDITED INFORMATION	Year Ended 31 July 2025		Year Ended 31 July 2024
	£'000		£'000
Emoluments of the Vice-Chancellor and Chief Executive			
Salary	281.9		262.5
Payments in lieu of pension contributions	25.2		5.0
Benefits in kind	4.0		3.0
Relocation Allowance	-		8.0
	311.1		278.5
Pension contributions	10.3		39.0*
	321.4		317.5

*The Vice-Chancellor and Chief Executive, Professor Andy Long, is enrolled in the Universities Superannuation Scheme (USS). Employer contributions were fixed at 14.5% from 1 January 2024. Professor Long partially opted out of the USS from 1 April 2024 and from this date received a supplement in lieu of employer pension contribution in line with the University’s Policy. The level of supplement is reviewed annually considering changes to the University’s employer contribution of the relevant pension scheme and/or changes in the rate of employer’s national insurance contributions (NICs). As a result of the increase in NICs the level of supplement paid reduced from 13% to 12% from 1 April 2025.

The pay ratios of the Vice-Chancellor and Chief Executive to the median salary of all employees calculated using UCEA data are shown below.

AUDITED INFORMATION		Year Ended 31 July 2025		Year Ended 31 July 2024
		Headline calculation	Ratio	Ratio
Base salary ratio				
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	£281.9k: highest base salary (Vice-Chancellor and Chief Executive) £45.4k: median staff base salary		6.2	5.9
Total remuneration ratio				
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.	£321.4k: total remuneration of the Vice-Chancellor and Chief Executive £52.2k: median staff total remuneration		6.2	6.5

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’¹, is provided in the table below and provides a comparison between 2024/25 and 2023/24:

Key management personnel compensation (i.e. remuneration)		Consolidated	
AUDITED INFORMATION		Year Ended 31 July 2025	Year Ended 31 July 2024
		£'000	£'000
		2,688	2,572

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

There are 49 staff members earning over £100k (23 in 2023/24). Of these, 17 are part of the University Executive (UE) or Senior Management Group (SMG), compared to 18 last year. The increase is not due to a larger UE or SMG, but is due to the need to attract, retain, and reward high-calibre high performing professors in an increasingly competitive higher education landscape, supporting the long-term sustainability of our academic excellence and institutional reputation. As a result, some individuals whose salaries were, in the previous year, just below the £100k threshold have now moved above it

¹ 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		2023/24
	2024/25		
	Staff FTE	Staff FTE	
Remuneration of other higher paid staff			
£100,000 – £104,999	16		3
£105,000 – £109,999	5		0
£110,000 – £114,999	6		0
£115,000 – £119,999	5		3
£120,000 – £124,999	1		0
£125,000 – £129,999	1		1
£140,000 – £144,999	0		1
£145,000 - £149,999	0		9
£150,000 - £154,999	10		2
£155,000 - £159,999	2		1
£160,000 - £164,999	1		1
£180,000 - £184,999	0		1
£190,000 - £194,999	1		0
£260,000 - £264,999	0		1
£280,000 - £284,999	1		0

Compensation for loss of office (AUDITED INFORMATION)

A total amount of £837k (2023/24: £3.6m) was charged to the statement of comprehensive income and expenditure in relation to 90 individuals (2023/24: 180 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 Expenses and General Expenses Policies, which require 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 (Fol) 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 in November 2017 (with those Governors who were beneficiaries of it exempt from voting). A revised Governor/ Trustee Remuneration Policy that will support the remuneration of the Chair of the Board and Chairs of Committees for 2023/24 onwards was approved by the Board of Governors on 26 June 2023 (with those Governors who were beneficiaries of it exempt from voting).

During 2024/25 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 - £7,875
- Helen Fairfoul OBE, Pro Chancellor, Independent Governor and Chair of Finance and Resources Committee - £7,875
- Peter Judge MBE, Pro Chancellor, Senior Independent Governor and Chair of the Remuneration Committee and of the People Committee - £7,875
- Dr Stuart Fancey, Independent Governor and Chair of Strategic Performance Committee - £7,875

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 2024/25, Governors claimed no expenses (2023/24: two Governors claimed expenses totalling £6,698).



REGISTER OF GOVERNORS AND PROFESSIONAL ADVISORS

2024/25

The Chancellor

The Baroness Grey-Thompson DBE, DL.²

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.

Dr Birju Bartoli (Independent Governor)

Professor Dame Janet Beer (Independent Governor)

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

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 (Independent Governor)

Sophie Haagenen (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 (Student Governor)

Professor James McLaughlin (Co-opted Governor)

Elizabeth (Libby) Orme³ (Staff Governor nominated by Academic Board)

Dr Penny Rumbold⁴ (Staff Governor nominated by Academic Board)

Arushi Sinha⁵ (Student Governor)

Jan Thompson (Independent Governor)

Helen Thorne MBE (Independent Governor)

Mary Udeze⁶ (Student Governor)

Ian Wilkin (Independent Governor)

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

²Term of Office ended 31 July 2025

³Term of Office ended 17 October 2024

⁴From 18 October 2024

⁵Term of Office ended 30 June 2025

⁶From 1 July 2025

Membership the Committees of the Board in 2024/25 is provided below:

- Audit Committee**
- Helen Thorne MBE**
- Peter Judge MBE (Observer)
- Alison Fellows
- Sophie Haagensen⁸
- Ian Wilkin
- John Hudson (Co-opted Member)
- Philip Turnbull (Co-opted Member)¹⁰

- Finance and Resources Committee**
- Helen Fairfoul OBE (Chair)**
- Dr Roberta Blackman-Woods
- Dr Birju Bartoli⁸
- Mark Larsen
- Professor Andy Long
- Prof James McLaughlin⁸
- Alison Fellows (Observer)⁸

- Nominations Committee**
- Dr Roberta Blackman-Woods (Chair)**
- Helen Fairfoul OBE
- Dr Stuart Fancey
- Peter Judge MBE
- Professor Andy Long
- Helen Thorne MBE

- Remuneration Committee**
- Peter Judge MBE (Chair)**
- Dr Roberta Blackman-Woods
- Helen Fairfoul OBE
- Graeme Hudson (Co-opted Member)

- Strategic Performance Committee**
- Stuart Fancey (Chair)**
- Dr Birju Bartoli⁷
- Dr Roberta Blackman-Woods
- Katherine Fawcett
- Sophie Haagensen⁷
- Professor Andy Long
- Ita McCrory
- Adam Parker (Co-opted Member)
- Jan Thompson

- People Committee**
- Peter Judge MBE (Chair)⁸**
- Dr Roberta Blackman-Woods⁸
- Helen Fairfoul OBE⁸
- Hassan Kajee⁸
- Prof Andy Long⁸
- Dr Penny Rumbold (Observer)⁹

⁷ To 31 August 2024

⁸ From 1 September 2024

⁹ From 18 October 2024

¹⁰From 1 November 2024





REGISTER OF INTERESTS

2024/25

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

Cazenove Capital

1 London Wall Place
London
EC2Y 5AU



INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF GOVERNORS OF NORTHUMBRIA UNIVERSITY

2024/25

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 2025 which 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 2025, 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, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to the high volume, low value nature of the University’s revenue streams.

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.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to 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 45, 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.

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 [X] 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 [Y] 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

Michael Wilkie

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP

319 St Vincent Street

Glasgow

G2 5AS

11 December 2025



FINANCIAL STATEMENTS

2024/25

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

YEAR ENDED 31 JULY 2025

		Year Ended 31 July 2025		Year Ended 31 July 2024	
		Consolidated	University	Consolidated	University
	Note	£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	259,473	219,284	275,589	230,070
Funding body grants	2	42,582	42,582	36,392	36,392
Research grants and contracts	4	26,383	26,383	18,035	18,035
Other income	5	39,815	47,441	41,841	45,394
Investment income	6	4,438	4,438	5,305	4,918
Donations and endowments	7	477	477	455	455
Total income		373,168	340,605	377,617	335,263
Expenditure					
Staff costs					
Before exceptional pension costs	8	218,355	217,980	217,402	217,461
Exceptional pension debit/(credit)	8	-	-	(11,032)	(11,032)
Total staff costs		218,355	217,980	206,370	206,429
Other operating expenses		126,709	99,488	138,746	104,354
Depreciation and amortisation	15,16	25,455	25,455	22,100	22,100
Interest and other finance costs	11	2,109	2,109	868	868
Total expenditure		372,628	345,032	368,084	333,752
Surplus/(deficit) before tax		540	(4,427)	9,533	1,512
Taxation	12	(1,477)	(197)	(2,079)	-
Surplus/(deficit) for the year		(937)	(4,624)	7,454	1,512
Actuarial gain/(loss) in respect of pensions	26	54,476	54,476	13,744	13,744
Surplus restriction on Defined benefit pension scheme	26	(54,700)	(54,700)	(49,310)	(49,310)
Reclassification of hedging financial instruments	27	-	-	-	-
Exchange differences on translation of foreign operations		(21)	-	14	-
Total comprehensive income/(expense) for the year		(1,182)	(4,848)	(28,098)	(34,054)
Represented by					
Unrestricted comprehensive income/(expense) for the year		(1,354)	(5,020)	(28,070)	(34,026)
Restricted comprehensive income/(expense) for the year		172	172	(28)	(28)
Surplus for the year attributable to:					
Non-controlling interest		3,739		6,237	
University		(4,675)		1,217	
Total comprehensive (expense)/income for the year attributable to:					
Non-controlling interest		3,739		6,237	
University		(4,921)		(34,335)	

All items of income and expenditure relate to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2025

	Note	Income and expenditure account		Hedging reserve	Non-controlling interest	Total
		Unrestricted	Restricted			
		£'000	£'000			£'000
Balance at 1 August 2023		373,340	1,210	-	12,897	387,447
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		-	-	-	(15,526)	(15,526)
Balance at 31 July 2024		339,033	1,182	-	3,878	344,093
Surplus/(deficit) from the statement of comprehensive income and expenditure		(4,848)	172	-	3,739	(937)
Actuarial gains on pension schemes	26	54,476	-	-	-	54,476
Restriction of surplus on defined benefit pension scheme		(54,700)	-	-	-	(54,700)
Dividend Declared from NCI		-	-	-	(6,181)	(6,181)
Exchange differences on translation of foreign operations		(21)	-	-	-	(21)
Total comprehensive income for the year		(4,921)	-	-	(2,442)	(7,363)
Balance at 31 July 2025		333,940	1,354	-	1,436	336,730

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2025

	Note	Income and expenditure account		Hedging reserve	Total
		Unrestricted	Restricted		
		£'000	£'000	£'000	£'000
Balance at 1 August 2023		374,261	1,210	-	375,471
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	27	(49,310)	-	-	(49,310)
Total comprehensive income for the year		(34,026)	(28)	-	(34,054)
Balance at 1 August 2023		340,235	1,182	-	341,417
Surplus/(deficit) from the statement of comprehensive income and expenditure		(4,796)	172	-	(4,624)
Actuarial gains on pension schemes	26	54,476	-	-	54,476
Restriction of surplus on defined benefit pension scheme		(54,700)	-	-	(54,700)
Total comprehensive income for the year		(5,020)	172	-	(4,848)
Balance at 31 July 2025		335,215	1,354	-	336,569

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2025

As at 31 July 2025			As at 31 July 2024		
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
NON-CURRENT ASSETS					
Investments	13,14	188	190	189	190
Intangible assets	15	16,393	16,393	18,310	18,310
Tangible fixed assets	16	334,840	334,840	315,764	315,764
Defined benefit asset in the Tyne and Wear Pension Fund	26	-	-	-	-
		351,421	351,423	334,263	334,264
CURRENT ASSETS					
Stocks		6	6	6	6
Trade and other receivables	17	54,695	29,802	48,434	26,650
Investments	18	-	-	-	-
Cash and cash equivalents	22	79,294	78,308	103,791	102,675
		133,995	108,115	152,201	129,239
Creditors – amounts falling due within one year	19	(102,692)	(76,975)	(97,240)	(77,047)
NET CURRENT ASSETS		31,304	31,141	54,961	52,284
TOTAL ASSETS LESS CURRENT LIABILITIES		382,725	382,564	389,224	386,426
Creditors – amounts falling due after more than one year	20	(37,225)	(37,225)	(40,525)	(40,525)
Provisions					
Other pension provisions	21	(1,934)	(1,934)	(1,970)	(1,970)
Other provisions	21	(6,836)	(6,836)	(2,636)	(2,636)
TOTAL NET ASSETS		336,730	336,569	344,093	341,417
Restricted reserves					
Income and expenditure reserve - Restricted		1,354	1,354	1,182	1,182
Unrestricted reserves					
Income and expenditure reserve - Unrestricted		333,940	335,215	339,033	340,235
Non-controlling interest		1,436	-	3,878	-
		336,730	336,569	344,093	341,417


The financial statements on pages 64 to 67 were approved by the Board of Governors on 27 November 2025 and signed on their behalf 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 2025

Note	As at 31 July 2025		As at 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cashflows from operating activities				
Surplus for the year	(937)	(4,624)	7,454	1,512
Adjustments for non-cash items				
Depreciation of fixed assets	16	22,865	20,228	20,228
Amortisation of intangible assets	15	2,682	1,872	1,872
Pension adjustments	26	60	130	130
Decrease/(Increase) in debtors	17	(6,854)	23,856	6,648
(Decrease)/Increase in creditors		(756)	(24,371)	(1,020)
Increase/(decrease) in pension provisions	21	(31)	(10,901)	(10,901)
Increase/(decrease) in other provisions	21	4,200	200	200
Investment income	6	(5,031)	(5,570)	(5,183)
Interest payable	11	2,109	868	868
Capital grant income		(13,059)	(6,503)	(6,503)
Loss on translation of foreign subsidiary		-	-	-
Impairment of subsidiary		-	-	515
Impairment of asset		888	48	48
		6,136	7,530	8,414
Cashflows from investing activities				
Capital grants receipts		13,059	6,503	6,503
Investment income receipts		5,031	5,570	5,183
Payments made to acquire intangible assets		(4,904)	(7,025)	(7,025)
Payments made to acquire tangible fixed assets		(38,223)	(27,298)	(27,298)
Investment in subsidiary		-	-	(515)
Investment in associate		-	(29)	(29)
Cash placed on deposit	18	-	-	-
Cash released from deposit	18	-	35,000	35,000
		25,036	12,721	11,818
Cashflows from financing activities				
Interest paid		(2,267)	(2,461)	(2,461)
Repayments of amounts borrowed	20	(3,300)	(3,300)	(3,300)
		(5,567)	(5,761)	(5,761)
Increase/(decrease) in cash and cash equivalents in the year				
		(24,467)	14,523	14,505
Cash and cash equivalents at the beginning of the year	22	103,761	89,238	88,171
Exchange differences on foreign translation		-	-	-
Cash and cash equivalents at the end of the year	22	79,294	103,761	102,675





STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

2024/25

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 9 to 11. 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:

Freehold buildings	over period up to 50 years
Freehold refurbishments	over 10 years
Leasehold buildings	over the life of the lease up to 50 years
Leasehold refurbishments	over the remaining life of the lease up to a maximum of 10 years
Computers and IT infrastructure	3 years
Motor vehicles	4 years
All other equipment	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 2024/25 are included in Note 28.

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

2024/25

For the Year Ended 31 July 2025

1. TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full time home and EU students	151,311	150,329	157,889	156,694
Part time home and EU students	10,589	10,183	9,117	8,885
International students	88,590	49,789	96,614	52,523
Short courses	4,421	4,421	4,256	4,256
Nurse education training	8	8	86	86
Other fees	4,454	4,554	7,627	7,627
	259,473	219,284	275,589	230,070

2. FUNDING BODY GRANTS

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grants				
Office for Students	9,029	9,029	9,569	9,569
Research England	19,215	19,215	19,333	19,333
National College for Teaching and Leadership	267	267	23	23
Capital grants	13,059	13,059	6,503	6,503
Specific grants				
Higher Education Innovation Fund	1,011	1,011	964	964
	42,582	42,582	36,392	36,392

3. GRANT AND FEE INCOME

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant income from the Office for Students	9,029	9,029	9,569	9,569
Grant income from other bodies	33,553	33,553	26,823	26,823
Fee income for taught awards	252,610	212,418	263,802	218,283
Fee income for research awards	1,273	1,273	1,344	1,344
Fee income for non-qualifying courses	5,592	5,592	10,443	10,443
	302,055	261,865	311,981	266,462

4. RESEARCH GRANTS AND CONTRACTS

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research councils	13,515	13,515	7,036	7,036
Research charities	3,131	3,131	2,622	2,622
Government (UK and overseas)	6,089	6,089	5,390	5,390
Industry and commerce	1,772	1,772	1,529	1,529
Other	1,877	1,877	1,457	1,457
	26,383	26,383	18,035	18,035

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). 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 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	14,212	14,212	14,148	14,148
Collaborative ventures	9,817	17,789	13,636	16,929
Other academic income	816	819	696	696
Rent and rates	1,389	1,389	1,387	1,387
Sports membership	1,171	1,157	1,064	1,058
IT helpline	1,940	1,940	1,924	1,924
Other	10,472	10,137	8,986	9,252
	39,815	47,441	41,841	45,394

6. INVESTMENT INCOME

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income	4,438	4,438	5,305	4,918
	4,438	4,438	5,305	4,918

7. DONATIONS AND ENDOWMENTS

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Donations with restrictions	477	477	455	455
Unrestricted Donations	-	-	-	-
	477	477	455	455

8. STAFF COSTS

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Salaries	167,417	166,989	168,396	168,311
Social security costs	18,310	18,277	17,424	17,439
Pension costs (note 26)	32,628	32,714	31,582	31,711
	218,355	217,980	217,402	217,461
Exceptional pension (credit)/charge (note 26)	-	-	(11,032)	(11,032)
	218,355	217,980	206,370	206,429

The exceptional pension (credit) for the year was:

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
USS	-	-	(11,032)	(11,032)
	-	-	(11,032)	(11,032)

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
	2025	2024
	Staff FTE	Staff FTE
Average staff numbers by major category (expressed as Full Time Equivalents (FTE))		
Academic	1,600	1,599
Academic support	148	191
Student support	464	494
Estates and accommodation	270	349
Administration and central services	690	743
	3,172	3,376

Other disclosures required by the OfS Accounts Direction are included within the Annual Remuneration Statement on pages 47-51 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 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic faculties	150,981	148,761	147,234	146,321
Academic services	56,304	47,489	58,913	53,245
Administration	103,780	92,014	106,044	84,234
Premises	29,707	24,909	39,348	33,407
Residences, catering and conferences	10,656	10,656	11,271	11,271
Research grants and contracts	19,091	19,091	17,042	17,042
Other expenses	2,109	2,109	(11,768)	(11,768)
	372,628	345,031	368,084	333,752

Other operating expenses include

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
External auditor’s remuneration in respect of audit services for the current year	277	185	280	200
External auditor’s remuneration in respect of other assurance services	50	50	15	15
Operating lease rentals:				
Land and buildings	3,225	3,225	3,162	3,162
Plant and equipment			-	-

10. ACCESS & PARTICIPATION EXPENDITURE	Year Ended 31 July 2025		Year Ended 31 July 2024	
		Consolidated		
		£'000		£'000
Access investment		3,724		3,767
Financial support provided to students		1,127		1,363
Support for disabled students		1,972		1,434
Research and evaluation of access and participation activities		-		50
		6,823		6,614
Planned Spend per Access & Participation Plan		6,750		5,150

Overall Access & Participation expenditure was £73k higher than the original planned spend as per the **University’s Access & Participation plan**.

The above figures include staffing costs of £4,000k (2024: £3,100k), which are included within the overall staff costs figure in Note 8.

The increase in Access & Participation Expenditure is driven by increases in support provision for disabled students.

11. INTEREST AND OTHER FINANCE COSTS	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Interest on bank and other loans	2,214	2,214	2,426	2,426
Interest (credit)/charge on LGPS defined benefit scheme	(200)	(200)	(1,910)	(1,910)
Interest on USS deficit recovery plan	-	-	248	248
Interest on enhanced pension scheme	95	95	104	104
	2,109	2,109	868	868

12. TAXATION

Recognised in the statement of comprehensive income

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Current tax expense	1,280	-	2,079	-
Foreign tax	197	197	-	-
	1,476	197	2,079	-

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 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Surplus / (deficit) before taxation	540	(4,409)	9,533	1,512
UK corporation tax at 25% (2024: 25%)	139	-	2,383	378
Effect of:				
Surplus / (deficit) falling within charitable exemption	1,124	-	(304)	(378)
Effects of foreign tax rates	197	197	-	-
	1,477	197	2,079	-

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 2025	July 2024
				£	£
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)	-	-
				506	506

During the year, the University made additional equity contributions to Northumbria University Amsterdam B.V totalling £601k. 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 £601k 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

The University has provided a parental guarantee under S479C of the Companies Act 2006 in respect of the following subsidiaries:

Northumbria University Services Limited (company number: **10167191**)

Northumbria International Limited (company number: **04333222**)

They are therefore exempt from the requirements of the Act relating to the audit of individual accounts and the members have not required those subsidiaries to obtain an audit of their accounts. The University guarantees all outstanding liabilities to which those subsidiaries are subject to at the end of financial year 31 July 2025.

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)	189,747
				189,747

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

15. INTANGIBLE ASSETS

	Software	Software assets under development	Consolidated and University
			Total
	£'000	£'000	£'000
Cost			
At 1 August 2024	35,505	431	35,936
Additions in the year	-	766	766
Transfer	785	(785)	-
Disposals	-	-	-
At 31 July 2025	36,290	412	36,702
Amortisation			
At 1 August 2024	17,626	-	17,626
Charge for the year	2,682	-	2,682
Disposals	-	-	-
At 31 July 2025	20,308	-	20,308
Net book value at 31 July 2025	15,982	412	16,393
Net book value at 31 July 2024	17,879	431	18,310

16. TANGIBLE FIXED ASSETS

Tangible fixed assets comprise:

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Property, plant and equipment	334,488	334,488	315,412	315,412
Investment properties	352	352	352	352
	334,840	334,840	315,764	315,764

	Consolidated and University					
	Freehold land and buildings	Long leasehold buildings	Short leasehold improvements	Equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 August 2024	400,983	1,576	547	84,789	15,348	503,243
Additions	-	-	-	2,411	40,418	42,829
Transfers	7,916	-	-	4,025	(11,942)	-
Impairment	(5,106)	-	-	-	-	(5,106)
At 31 July 2025	403,792	1,576	547	91,225	43,824	540,965
Depreciation						
At 1 August 2024	120,140	617	404	66,318	-	187,479
Charge for the year	14,785	54	38	7,988	-	22,865
Impairment	(4,219)	-	-	-	-	(4,219)
At 31 July 2025	130,706	671	442	74,306	-	206,125
Net book value at 31 July 2025	273,087	905	105	16,919	43,824	334,840
Net book value at 31 July 2024	280,843	959	143	18,471	15,348	315,764

17. TRADE AND OTHER RECEIVABLES

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade receivables	17,107	4,911	11,973	4,473
Amounts due from subsidiary undertakings	-	2,130	-	2,707
Prepayments and accrued income	23,223	22,603	21,112	19,257
Other receivables	158	158	214	213
Amounts due from minority interest	14,207	-	15,135	-
	54,695	29,802	48,434	26,650

18. CURRENT INVESTMENTS

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term cash deposits	-	-	-	-

19. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	3,300	3,300	3,300	3,300
Unsecured loans	-	-	35	35
Trade payables	17,154	17,142	6,883	6,823
Amounts owed to subsidiaries	-	1,826	-	2,249
Social security and other taxes payable	4,818	4,681	6,775	4,524
Accruals and deferred income	75,474	49,634	74,063	55,876
Other payables	1,946	392	6,184	4,240
	102,692	76,975	97,240	77,047

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 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants received on account	17,764	17,764	13,658	13,568
Grant income	61	61	24	24
Other income	35,215	13,728	31,108	16,469
	53,040	31,553	44,790	30,061

20. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	37,225	37,225	40,525	40,525
	37,225	37,225	40,525	40,525

Analysis of secured and unsecured loans

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Due within one year or on demand	3,300	3,300	3,335	3,335
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	24,025	24,025	27,325	27,325
Due after more than one year	37,225	37,225	40,525	40,525
Total secured and unsecured loans	40,525	40,525	43,860	43,860
Secured loans repayable by 2037	40,525	40,525	43,825	43,825
Unsecured loans	-	-	35	35
Total secured and unsecured loans	40,525	40,525	43,860	43,860

Included in loans are the following:

	From	To	Interest rate	Amount £'000
Barclays Bank plc				
Fixed rate hedge	1 August 2011	1 August 2036	5.72%	21,304
Fixed rate hedge	1 August 2012	1 August 2035	4.81%	15,994
Variable rate	1 May 2024	31 July 2024	5.28%	3,227
Total secured and unsecured loans				40,525

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.

21. PROVISIONS

Consolidated and University	1. Pension enhancements on termination	Total pensions provisions		
	£'000	£'000		
At 1 August 2024	1,970			1,970
Utilised in year	(244)			(244)
Additions in year	208			208
At 31 July 2025	1,934			1,934
Consolidated and University	2. Leasehold dilapidation	3. Overseas tax uncertainties	4. Cost of change	Total pensions provisions
	£'000	£'000	£'000	£'000
At 1 August 2024	1,473	1,163	-	2,636
Utilised in year	-	-	-	-
Additions in year	200	-	4,000	4,200
At 31 July 2025	1,673	1,163	4,000	6,836

1. 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.
2. 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.
3. 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.
4. This provision represents estimated costs arising from the University's ongoing organisational change programme. It includes costs associated with staff restructuring, voluntary severance agreements, and other commitments necessary to implement the approved change plans. The provision has been calculated based on management's best estimate of the expenditure required to settle the obligations at the balance sheet date. It is expected that the majority of the costs will be incurred and the provision utilised during the next financial year.

22. CASH AND CASH EQUIVALENTS	As at 1 August 2024	Cash flows	As at 31 July 2025
	£'000	£'000	£'000
Consolidated			
Cash and cash equivalents	103,761	(24,537)	79,224
University			
Cash and cash equivalents	102,675	(24,367)	78,308

The consolidated group and university also held £Nil (2024: £Nil) in short-term cash deposits at the year-end (Note 19).

23. CAPITAL AND OTHER COMMITMENTS	Consolidated and University
	As at 31 July 2025
	£'000
Capital commitments contracted for but not provided for	39,604

24. LEASE OBLIGATIONS	Consolidated and University Land and buildings
	As at 31 July 2025
	£'000
Not later than one year	3,289
Later than one year, not later than five years	10,269
Later than five years	-
Total lease payments due	13,558

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
QAHE (NU) Limited¹	2025	6,228	20,847	14,471	5
	2024	6,292	20,227	15,729	-
University of Northumbria Students’ Union²	2025	1	5,242	1	5
	2024	908	2,412	1	2
PulmoBioMed Ltd³	2025	1	-	1	-
	2024	21	-	-	-
North Tees NHS FT⁴	2025	-	-	-	-
	2024	3	-	3	-
South Tees NHS FT⁵	2025	35	8	2	-
	2024	28	-	14	-
Northumbria NHS FT⁶	2025	15	-	-	-
	2024	62	27	44	8
QA Limited⁷	2025	-	21	-	-
	2024	-	-	-	1
Newcastle NHS Hospitals Trust⁸	2025	310	39	305	17
	2024	-	-	-	-
Baltic Centre for Contemporary Arts⁹	2025	-	213	-	-
	2024	-	-	-	-

¹ B1 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.

² 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.

³ PulmoBioMed Limited 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

⁴ 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.

⁵ 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.

⁶ 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.

⁷ 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.

⁸ Hassan Kajee is a board member at the University and is also a director at Newcastle NHS Hospitals Trust. As such they are in a position to exert significant influence over both parties. The income relates to OSCE exam fees and the expenditure relates to research costs.

⁹ Dame Janet Beer is a board member at the University and is also a director at Baltic Centre for Contemporary Arts. As such they are in a position to exert significant influence over both parties. The expenditure relates to partnership payments.

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 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
TPS	20,509	20,595	18,613	18,742
USS	2,013	2,013	2,444	2,444
LGPS	8,220	8,220	8,450	8,450
UCRSS	1,886	1,886	2,075	2,075
	32,628	32,714	31,582	31,711

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

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
USS	-	-	(11,032)	(11,032)
	-	-	(11,032)	(11,032)

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 2025	Year Ended 31 July 2024
	£’000	£’000
LGPS	(110)	(35,576)
Enhanced Pension Payments – LGPS and TPS	(114)	10
	(224)	(35,566)

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

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
LGPS charge	8,220	8,220	8,450	8,450
LGPS employer contributions	(8,160)	(8,160)	(8,320)	(8,320)
	60	60	130	130

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 £20,595k (2024: 18,506k).

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 charged to the profit and loss account is £2,013k (2024: 8,588k cost)

Deficit recovery contributions due within one year for the institution are £0k (2024: 0k)

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 (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. 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:

	2025	2024
Males		
Currently aged 65	20.9	20.8
Currently aged 45	21.8	21.7
Females		
Currently aged 65	24.1	24.0
Currently aged 45	25.2	25.1

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 in the 23/24 financial year.

	2025	2024
Discount rate	-	-
Pensionable salary growth rate	-	-

The pension costs paid to USS in the year amounted to £2,013k (2024: 2,444k).

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 £8,160k (2024: 8,320k). Under FRS 102, the comparable service cost was £8,220k (2024: £8,450k), including the past service cost of £30k (2024: £180k).

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 2026 are estimated to be £8,450k. In addition, strain on fund contributions may be required to meet the costs of early retirements.

Principal actuarial assumptions	As at 31 July 2025	As at 31 July 2024
	%	%
Discount rate	5.8	5.0
CPI inflation	2.5	2.6
Pension increases	2.5	2.6
Pension accounts revaluation rate	2.5	2.6
Salary increases	4.0	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 2025	As at 31 July 2024
Males		
Currently aged 65	20.9	20.8
Currently aged 45	21.8	21.7
Females		
Currently aged 65	24.1	24.0
Currently aged 45	25.2	25.1

Asset allocation	As at 31 July 2025	As at 31 July 2024
	%	%
Equities	48.3	50.2
Property	11.1	10.4
Government bonds	1.0	8.1
Corporate bonds	18.1	18.6
Multi Asset Credit	4.5	4.5
Cash	1.2	0.8
Other	15.8	7.4
Total	100.0	100.0

Reconciliation of funded status to balance sheet	As at 31 July 2025	As at 31 July 2024
	£’000	£’000
Fair value of fund assets	417,030	393,430
Present value of defined benefit obligation	(310,550)	(344,120)
Surplus/(deficit) on scheme	106,480	49,310
Adjustment gain/(loss) due to restriction of surplus	(106,480)	(49,310)
Surplus/(deficit) in the scheme recorded in provisions (note 21)	-	-

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%

Asset ceiling reconciliation	As at 31 July 2025	As at 31 July 2024
	£’000	£’000
Opening asset ceiling	49,310	-
Interest on asset ceiling	2,470	-
Remeasurement gain/(loss)	54,700	49,310
Closing asset ceiling	106,480	49,310

Amounts recognised in statement of comprehensive income and expenditure	Year Ended 31 July 2025	Year Ended 31 July 2024
	£’000	£’000
Operating cost		
Current service cost	8,190	8,270
Past service cost	30	180
Curtailment cost	-	-
	8,220	8,450
Financing cost		
Net interest cost (note 8)	(200)	(1,910)
Expense recognised in statement of comprehensive income	8,020	6,540
Allowance for administration expenses included in current service costs	230	180

Amounts recognised in other comprehensive (expense) / income	Year Ended 31 July 2025	Year Ended 31 July 2024
	£’000	£’000
(Losses)/Gain on assets	6,070	10,120
Experience (losses)/gain on liabilities	48,520	3,330
Total amount recognised in other comprehensive (expense)/income	54,590	13,450

Movement in deficit	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Opening (deficit)/surplus	-	34,080
Current service cost	(8,220)	(8,270)
Past service cost	(30)	(180)
Curtailment cost	-	-
Employer contributions	8,160	8,320
Net interest cost	200	1,910
Actuarial (losses)/gains	54,590	13,450
Adjustment gain/(loss) due to restriction of surplus	(54,700)	(49,310)
	-	-

Changes to the present value of the defined benefit obligation	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Opening defined benefit obligation	344,120	331,820
Current service cost	8,220	8,270
Past service cost	30	180
Curtailment cost	-	-
Interest expense on defined benefit obligation	16,960	16,370
Actuarial losses/(gains) on liabilities	(48,520)	(3,330)
Contributions by participants	3,090	3,130
Net benefits paid out	(13,350)	(12,320)
	310,550	344,120

Changes to the fair value of assets	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Opening fair value of assets	393,430	365,900
Contributions by employer	8,160	8,320
Interest income on assets	19,630	18,280
Actuarial (losses)/gains on assets	6,070	10,120
Contributions by participants	3,090	3,130
Net benefits paid out	(13,350)	(12,320)
	417,030	393,430

Actual return on assets	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Interest income on assets	19,630	18,280
Actuarial (loss)/gain on assets	6,070	10,120
	25,700	28,400

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 2025 and on the projected service cost for the year ending 31 July 2026 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			
Adjustment to discount rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£'000)	305.58	310.55	315.52
% change in present value of total obligation	-1.6%		1.6%
Projected service cost (£'000)	5.49	5.79	6.09
Approximate % change in projected service cost	-5.1%		5.2%
Rate of general increase in salaries			
Adjustment to salary increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£'000)	311.17	310.55	309.93
% change in present value of total obligation	0.2%		-0.2%
Projected service cost (£'000)	5.79	5.79	5.79
Approximate % change in projected service cost	0.0%		0.0%
Rate of increase in pensions in payment and deferred pensions assumptions and rate of revaluation of pension accounts assumption			
Adjustment to pension increase rate	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£'000)	314.90	310.55	306.20
% change in present value of total obligation	1.4%		-1.4%
Projected service cost (£'000)	6.09	5.79	5.49
Approximate % change in projected service cost	5.2%		-5.1%
Post retirement mortality assumption			
Adjustment to mortality age rating assumption	-1 Year	Base figure	+ 1 Year
Present value of total obligation (£'000)	317.38	310.55	303.72
% change in present value of total obligation	2.2%		-2.2%
Projected service cost (£'000)	5.99	5.79	5.59
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 £1,886k (2024: 2,075k) 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 2025, 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 2025, 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 2025, the sterling equivalent of all euro bank balances was £609k (2024: 1,238k). The sterling equivalent of all dollar balances at this date was £371k (2024: 268k).

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 £40,325k (2024: 43,860k). 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 2025, 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 £Nil (2024: liability of £Nil).

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 20-27 of these financial statements is provided below. These are the key non-GAAP measures used by the University to monitor and evaluate performance.

Adjusted EBITDA		Consolidated	
		Year Ended 31 July 2025	Year Ended 31 July 2024
	Note	£'000	£'000
Surplus before other gains (operating surplus)		540	9,533
Interest payable	11	2,109	868
Investment income	6	(4,438)	(5,305)
Depreciation of tangible fixed assets	16	22,865	20,224
Amortisation of intangible assets	15	2,682	1,843
Capital grants income	2	(13,059)	(6,503)
Pension adjustments	26	122	130
USS pension provision movements	21	-	(11,032)
		10,821	9,758

Cash and investments		Consolidated	
		As at 31 July 2025	As at 31 July 2024
	Note	£'000	£'000
Cash and cash equivalents	22	79,224	103,761
Current Investments	18	-	-
		79,224	103,761

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.

Primary Reserve Ratio			Consolidated	
Expendable Net Assets		Note	Year Ended 31 July 2025	Year Ended 31 July 2024
			£'000	£'000
Balance Sheet - Net assets	Net assets without donor restrictions		335,548	342,911
Balance Sheet - Net assets	Net assets with donor restrictions		1,182	1,182
Notes to the financial statements -Trade and other receivables	Secured and Unsecured related party receivable	18	14,207	-
Notes to the financial statements -Trade and other receivables	Unsecured related party receivable	18	14,207	-
Balance Sheet - Tangible fixed assets	Property, plant and equipment, net (includes Construction in progress)	16	334,840	315,764
Notes to the financial statements - Tangible fixed assets, net book value minus additions in year.	Property, plant and equipment - pre-implementation	16	292,012	288,470
	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-	-
Notes to the financial statements - Tangible fixed assets, additions (minus assets under construction)	Property, plant and equipment - post-implementation without outstanding debt for original purchase	16	2,411	6,957
Notes to the financial statements - Tangible fixed assets, assets under construction additions	Construction in progress	16	40,418	20,337
	Lease right-of-use asset, net		-	-
	Lease right-of-use asset pre-implementation		-	-
	Lease right-of-use asset post-implementation		-	-
	Intangible assets - goodwill		-	-
Balance Sheet - Intangible assets	Intangible assets	15	16,393	18,310
Balance Sheet - Pension provisions	Post-employment and pension liabilities	21	1,934	1,970

Primary Reserve Ratio**Expendable Net Assets cont**

Primary Reserve Ratio		Consolidated		
Expendable Net Assets cont		Note	Year Ended 31 July 2025	Year Ended 31 July 2024
			£'000	£'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	37,225	40,525
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	37,225	40,525
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		-	-
Total Expenses and Losses				
Statement of comprehensive income and expenditure - Total expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities		372,629	368,084
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)		(4,214)	30,261
Statement of comprehensive income and expenditure - Investment income	Net investment gains/ (losses)	6	(4,438)	(5,305)
	Pension-related changes other than net periodic costs		-	-

Equity Ratio

Modified Net Assets

Equity Ratio		Consolidated		
Modified Net Assets		Note	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		335,548	342,911
Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		1,182	1,182
	Intangible assets - goodwill		-	-
Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	17	14,207	-
Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	17	14,207	-
Modified Assets				
Balance Sheet - Total assets	Total Assets		485,418	486,464
	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	14,207	-
Notes to the financial statements -Trade and other receivables	Unsecured related party receivable	17	14,207	-
Net Income Ratio				
Statement of comprehensive income and expenditure - Total comprehensive income for the year	Change in Net Assets Without Donor Restrictions	-	(1,333)	(28,084)
Statement of comprehensive income and expenditure - Total income	Total Revenue and Gains	-	368,730	372,312



Northumbria
University
NEWCASTLE