



**Northumbria
University**
NEWCASTLE

ANNUAL REPORT AND FINANCIAL STATEMENTS. 2021/22

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THE AWARDS
2022
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WINNER

University of the Year



Northumbria
University
NEWCASTLE

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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 2021/22. The information in this report provides an overview of the University's activities and achievements during the year.

I started as Vice-Chancellor of Northumbria University in August 2022, and I would like to take the opportunity to thank my predecessor Andrew Wathey for all he has done for Northumbria during his time as Vice-Chancellor. Much of the success and achievements are down to his leadership. I am honoured to begin my journey with Northumbria and look forward to the next chapter working with staff, students, Board, partners and stakeholders to continue to thrive and to cement Northumbria's position as a research intensive, modern University.

2021/22 was the fourth year of the University Strategy 2018-24, the road map for the University's continued transformation which will help us to realise our ambitious Vision.

It has been a year where Northumbria has truly shone. We recorded the biggest rise in research power for the second time. Results from the Research Excellence Framework (REF2021) show Northumbria University with the biggest rise in research power ranking of any UK university. Our research power ranking rose to 23rd, having previously risen to 50th in 2014 from 80th in 2008.

The icing on the cake was winning the Times Higher University of the Year for 2022. Winning this prestigious award demonstrates that Northumbria is recognised in the wider university sector with distinct strengths as the UK's first Research Intensive modern University with a very clear social mobility mission. Not only do we recognise our strengths, our community and our important position in the North East, I am delighted Northumbria has been recognised nationally for our unique place and our fantastic community. I would like to thank our staff and students for their hard work and commitment to the University.

In the past year the University has continued to invest in talented staff and

to attract a diverse mix of students and colleagues from across the globe.

Northumbria again saw strong student recruitment, recruiting well qualified students from all backgrounds, in an ever-more competitive environment. We continue to support our students to succeed academically and personally, irrespective of background, providing over £3 million in access, success and progression and £1.3 million in hardship support, and continue to support the Social Mobility Pledge.

With more than 37,000 students, the University has also grown its cohorts of masters, doctoral, international and degree apprenticeship students. We have continued to see growth in the number and quality of international students recruited to our Newcastle campuses. Our London Campus is one of the largest satellite campuses in the capital and our Amsterdam Campus, in partnership with the Amsterdam University of Applied Sciences, expanded the number and range of undergraduate and postgraduate programmes and research collaborations, despite the challenges of Brexit and the pandemic.

As we look to the future and start to create our new strategy for Northumbria, the University's achievements over the past 12 months and its solid financial position provide a strong foundation to continue our ambitious transformation. In my short time here, I am already very proud of the many achievements of the University's staff and students, a number of which are illustrated in this Annual Report.

A handwritten signature in dark ink, reading 'Andy Long'.

Professor Andy Long
Vice-Chancellor and Chief Executive

12 December 2022



Chair's introduction



Northumbria University's Annual Report and Financial Statements for 2021/22 illustrates our considerable achievements as we move towards the end of the current University Strategy 2018-24.

We have had an incredible year, a year in which our transformation has really come to fruition, with outstanding achievement in the Research Excellence Framework 2021 seeing the biggest rise in research power ranking of any UK university, this is the product of many years hard work from our incredible staff, right across the University. We can now truly say that we are a research intensive, modern university with a global reputation for academic excellence. I am immensely proud, along with our Board of Governors, to be part of one of the largest and most ambitious universities in the UK, with over 37,000 students from 137 countries and over 3,000 staff. Our students achieve impressive outcomes across a range of professions and occupations and are motivated by the role they can play in shaping a sustainable and prosperous future.

In May 2022, Professor Andrew Wathey retired as Vice-Chancellor after fourteen years in role. I, and the Board, wish to wholeheartedly thank Andrew for all his hard work and dedication to this institution and for his commitment to delivering its ongoing transformation. I am incredibly excited to have welcomed our new Vice-Chancellor, Professor Andy Long into the Northumbria community in August 2022. He joins us at a momentous time in our transformation and will lead us through the development of the next part of our journey to achieve our Vision 2030. On behalf of the Board, I would like to also thank Professor Tom Lawson for acting as Vice-Chancellor in the interim period. This year, the University has shown that it continues to be an excellent place to thrive for both staff and students, a place to take on new opportunities and it is a pivotal time to be part of its remarkable transformation.

Over the last twelve months the Board and I have seen many changes both at the University, and across the sector, as we collectively try to recover from the effects of the pandemic. It is with great excitement that I see our campus come back to life with staff and students alike and I am reminded of what an outstanding institution this University is. It is absolutely wonderful that this was recognised by the wider sector when Northumbria won THE University of the Year 2022. This award could not be more well deserved by all our staff and students whose talent and commitment to the University's vision and ambition has been invaluable to our outstanding transformation. I would like to wholeheartedly thank our whole Northumbria community on behalf of the Board for this fantastic award and the role that they have played in achieving it.

At the heart of our governance and decision-making are the students we are here to serve and our staff who serve them. 2021/22 continued to see excellent staff and students joining Northumbria to add to our already

impressive staff and student base. Despite the challenges to higher education, the cost of living pressures and competition that affects the entire sector, we have remained in a sound financial position - as these financial statements demonstrate. We are continuing to make investments that will maintain this stability to support the delivery of our Strategy and Vision 2030. The long-term sustainability of what we do each day, and strive to improve in the future, is critical if we are to continue to nurture and develop the next generation. Investing in our future as a University is investing in their future.

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

Over the coming year, our priority will continue to be delivering the Strategy as well as developing the next. At the heart of this development will be the involvement of our staff and students with a steadfast commitment to quality and working in partnership with all our key stakeholders. The Board will be active participants in this engagement process, and we look forward to meeting as many staff and students as possible over the coming year and beyond. The Board and the Executive Team remain firm in their commitment to our ambitious direction of travel and we look forward to the challenges and opportunities the coming year may bring.

A handwritten signature in black ink that reads "Roberta C. Blackman-Woods".

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

12 December 2022

KEY ACHIEVEMENTS – LEAGUE TABLES

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

We are ranked in the top 50 in the three major domestic league tables for the first time ever, 43rd in the Complete University Guide 2023, 46th in The Guardian University Guide 2023 and 49th in the Sunday Times Good University Guide 2023, up 13 places from the previous year.

We are in the top 501-600 universities in the Times Higher Education World Rankings 2022. Northumbria ranked within the top 30% in the world, and 35th in the UK, for research citations, signalling the influence the university has in spreading new knowledge and ideas.

Northumbria is rated as one of the world's best young universities, featuring in the top 100 universities in the annual Times Higher Education's Young University Rankings. It is the third highest rated UK university in this global league table.

KEY ACHIEVEMENTS – EDUCATION

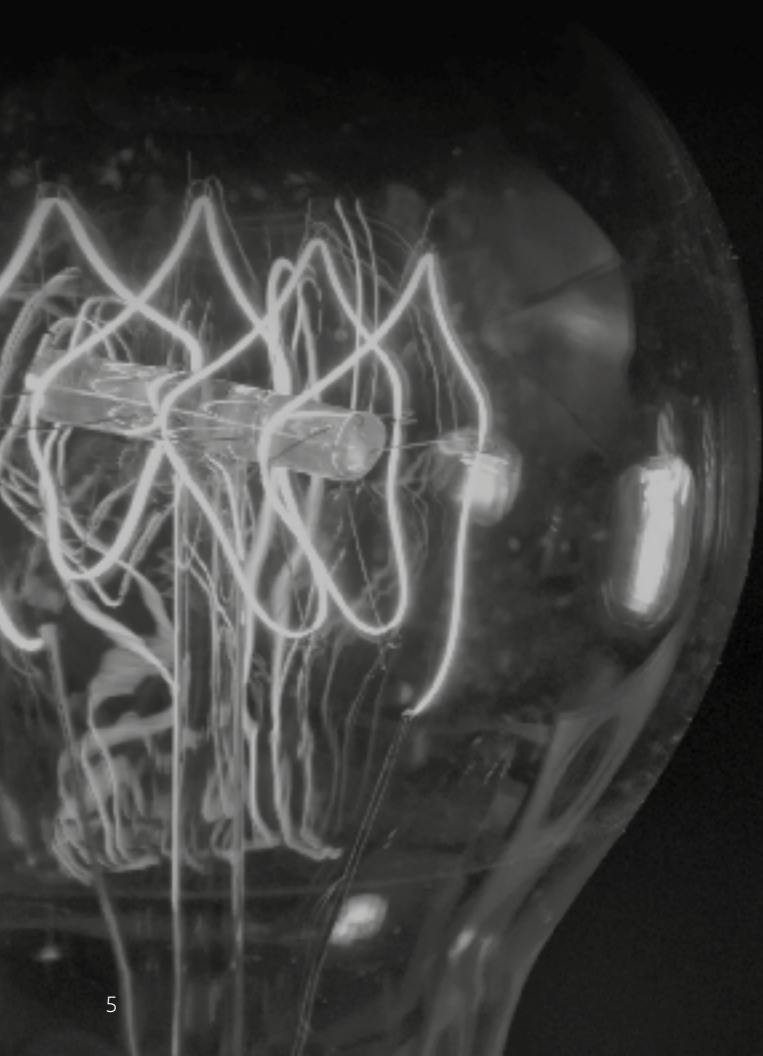
Northumbria is currently in the top 25 in the UK for the number of graduates entering highly skilled employment, with over 90% of graduates working or studying six months after graduation. 25% of all the graduates employed in the North East of England in highly skilled employment from the 2018/19 cohort were graduates of Northumbria University.

Since 2003 Northumbria has supported the creation of more than 400 graduate businesses, which now employ almost 1,100 people and have a combined turnover of £86.4m.

Northumbria is now ranked 36th in the UK for median graduate earnings three and five years after graduation, according to the latest Graduate Outcomes (LEO) statistics. Source: Graduate Outcomes (LEO): Region by provider, 2016-2017.

The results from the National Student Survey 2022 (NSS) show Northumbria achieved an improved overall satisfaction of 72.9%, up from 69.3% in 2021, and improved scores and ranks across all categories.

Northumbria is Ranked 5th in the UK for graduate start-ups based on aggregated turnover. Over the last decade the University has continually ranked within the top 5, including five years ranking in first place. (Higher Education Business and Communities Interaction Survey for 2019/20).





KEY ACHIEVEMENTS – RESEARCH

Northumbria recorded exceptional results in REF 2021, with growing strength across all subjects. It is now ranked in the top 10 for research power in seven of the thirteen areas in which it entered the REF, and in the top 26 in all areas. In Geography, Northumbria's research power is second only to Oxford, while in Sport and Exercise Sciences its research is rated seventh for impact. Allied Health are joint first for research environment, Social Work and Policy third for research power behind only London School of Economics and Edinburgh, and History is in the top 10 for research output quality.

In STEM subjects
Northumbria continues to attract and retain outstanding research leaders, including Dr Jan De Rydt who was awarded a prestigious £1.2m, 7-year UKRI Future Leader Fellowship for his work on Antarctic ice sheets and sea level rise in a changing climate. Dr Andy Smith recently joined Northumbria from UCL following a successful application for a £0.5m, 5-year NERC Independent Research Fellowship investigating physics-inspired artificial intelligence to improve space weather forecasting.

Northumbria is a core academic partner of the COG-UK consortium. The University's state-of-the-art DNA sequencing research facility, **NU-OMICS**, is assisting the consortium in rapidly sequencing whole SARS-CoV-2 genomes. This project has successfully illustrated the translational power of genomics in helping understand infectious disease evolution and transmission during the pandemic.

In July 2022 we successfully completed our assessment for the NHS Data Security and Protection Toolkit, which will enable researchers to access additional NHS related funding calls, and quicker project start up times. This will enable Northumbria to participate in the North East and North Cumbria Trusted Research Environment Evaluation.

Northumbria's continuing commitment to excellence in research training has borne further fruit in the form of a 6-year Centre for Doctoral Training in Data Intensive Science. The £1.3m STFC-funded NUData CDT, running in partnership with Newcastle University, will leverage the University's outstanding research in solar physics to train a cohort of students in data intensive research techniques which they will then apply in real-world contexts, supported by a range of industrial partners including Amazon, the BBC, Johnson Matthey and Northumbrian Water.

To assure compliance with the Concordat to Support Research Integrity an Ethics Policy Review task and finish group was established in November 2021 and led by Dr Claire Thornton (HLS). The Group recommended a new Ethical Governance in Research policy, which was approved in July 2022. Alongside the new policy framework, a new ethical approval online system has been implemented in October 2022.

Northumbria is leading the chemical industries green recovery research programme in the Bulk Chemicals Sector as part of the Government's newly launched Transforming Foundation Industries Research and Innovation (TransFIRe) hub. Prof. Justin Perry and Dr Matt Unthank at Northumbria University are leads for technology development and transfer and business development to make UK chemical industry more competitive but sustainable in achieving the UK's net zero ambitions.

Lockheed Martin has partnered with Northumbria University as part of a wider £7 million investment to support the development of skills, research and technology across the region in space and solar physics. The investment and partnership will put Newcastle and the North East in a strong position to be a leader in the global space economy, supporting new research, developing innovative technologies for export, and generating skills for expansion of this emerging high growth sector in the North East of England.

Our excellence in global development is shown by strong relationships with the Red Cross, International Centre for Climate Change and Development in Bangladesh and other NGOs supporting sustainable communities in the global south.

We have received our fourth successful confirmation of the national HR Excellence in Research Award, recognising the supportive environment we provide for research-active academics. We are a signatory to the Concordat for Researcher Development and have provided case studies of best practice on our support for ECRs (Early Career Researchers) to Vitae.

KEY ACHIEVEMENTS – GLOBAL REACH & LOCAL IMPACT

Northumbria University is ranked in the top 200 (out of over 1,400 institutions from over 100 countries) in the Times Higher Education Impact Rankings 2022. The rankings measure university performance against the UN Sustainable Development Goals. The university ranked 8th in the world against SDG 17, 'Partnerships for the Goals' recognising how the university's collaborations with other countries, promotion of best practices and publications of data contribute to the broader achievement of all SDGs.

Our sustainability achievements include: First Class University and top North East University for sustainability (People & Planet, 2021); National Green Gown Award for 'Benefitting Society' (2019) and a 61% reduction in carbon emissions since 2015.

Findings from the British Academy-funded Speaking of Prejudice research project led by experts from Northumbria University uncovered evidence of prejudice against Northern English speakers. The research project was one of 12 chosen to be the subject of an exhibit at the British Academy Summer Showcase in London.

The IIIP Programme supports innovation in Small or Medium Sized Enterprises (SMEs) with funding for collaboration with regional universities (Northumbria, Durham, Newcastle and Teesside) provided by the European Regional Development Fund (ERDF). This multidisciplinary programme offers experience of research, translation and commercialisation, harnessing science and innovation to tackle real-world challenges. There are now over 20 academic-SME IIIP collaborations forming a community fostering collaboration and promoting innovation.

Northumbria University researchers are part of a unique team working on a new £1m project to better equip Indigenous communities in the Arctic against the disproportionate impacts of climate change. They will join Arctic community initiatives and researchers from Natural Resources Canada, the National Research Council of Canada, Environment Canada, Parks Canada, and the Government of Northwest Territories to drive unique solutions-based research. Professor Mike Lim will lead the project alongside Tuktoyaktuk Community Senior Administrative Officer Shawn Stuckey.

Northumbria is a key partner in the Northern Accelerator driving a step change in the commercialisation of research to strengthen the North East knowledge economy. Activities include training for entrepreneurial academics, support for spin-out creation and most recently the raising of an investment fund, Venture North, to retain spin-outs in the North East and attract high-growth knowledge-based businesses to the North East. Achievements to date include the creation of 35 new businesses including, PulmoBiomed from Northumbria University, developing a medical device for investigation of the deep lung.

New research shows 100 per cent effectiveness of an innovative breath sampling device developed by Northumbria University medtech spinout, PulmoBioMed, that could revolutionise diagnosis of a range of diseases, including COVID-19.

The Faculty of Health and Life Sciences is part of the regional NIHR Applied Research Collaboration looking at health inequalities. This is the first ARC award in the North East.

In REF 2021, the number of impact case studies Northumbria University submitted rose from 47 to 80, reaching an Impact Grade Point Average (GPA) of 3.14 with 80% of our case studies graded outstanding or very considerable.

Northumbria University is part of Collaborative Newcastle, a partnership between the two Newcastle universities, Newcastle City Council and local NHS Trusts working closer together to change the health, wealth and wellbeing of everyone in the city. We'll work collaboratively, bringing together our knowledge, expertise and resources to make new plans to deliver positive change to health and social care and growth and prosperity of Newcastle.

International development research identified and recommended improvements in organisational practices for global south volunteers. As a result, a series of resolutions adopted by the United Nations (UN), and the Red Cross, and the Red Crescent Movement, have prioritised volunteer safety and well-being for the first time in their peace and development policy.

Research at Northumbria, exploring how to achieve strategic workforce development, led to the development of a new approach, which has subsequently been implemented to upskill the North East and Cumbria's care workforce.

The Northumbria Student Law Office is a multi award-winning and world leading law clinic, offering vital legal services on a regional and national level free of charge to members of the public, businesses, and community groups. Each year, approximately 200 students and 25 staff contribute many thousands of hours of pro bono advice. To date, the Student Law Office has received over 8,300 enquiries, advised over 3,000 clients with over £1.6 million in compensation.

Experts from Northumbria University have revealed findings from a research study which examines the links between volunteer opportunities and the livelihoods of young refugees. After conducting what is believed to be the largest survey of its kind involving more than 3,600 young refugees in Uganda, most of whom were displaced by conflict in neighbouring countries, researchers discovered that 50 per cent relied on income from some form of voluntary labour as a means of survival.

Strategic Report:

Vision, strategy and impact

Northumbria University creates and applies knowledge for the benefit of individuals, communities, and the economy. Through excellent research, teaching, and innovation we transform lives, making a powerful contribution to cultural and economic development and regeneration, locally, nationally and globally.

Vision 2030

Northumbria's Vision 2030 is to be a research-rich, business-focused professional university with a global reputation for academic excellence. This distinctive Vision of Northumbria as a new kind of excellent University is underpinned by the University Strategy 2018-24.

Our vision is being realised with the REF results for 2021 with 80% of our research rated as internationally excellent or world leading. In the Times Good University Guide for 2023 Northumbria climbed 13 places to 49th overall. The biggest improvements in scores were for teaching quality and student experience which also shows the positive impact we are having for our student community.

Northumbria puts more graduates into highly skilled jobs in the North East than any other university.

Academic excellence lies at the heart of our Vision. Achieving strength in both education and research, a differentiator for high quality universities, will secure

the University's success and sustainability in the context of greater competition and student choice, globalisation, and technology. Our ambition is to be in the top 30 of universities in the UK, as a key indicator of reputation for academic excellence.

University Strategy 2018-24

The University Strategy provides a roadmap for six years, setting the pace and direction to deliver the next steps in the University's transformation.

The Strategy includes five strategic outcomes which collectively describe what Northumbria University will look like in 2024. We measure progress against the outcomes using Key Performance Indicators and through regular reporting to the University's Board of Governors.

In 2022, the University Strategy was extended by one year to take account of the time lost to the Covid-19 pandemic and other developments since the Strategy launch in 2018. The extension provided an opportunity to review the

most important things to achieve by July 2024, in order to make the most progress towards our Vision for 2030.

Our impact

Northumbria University is making a remarkable impact on the world. We are a challenger institution, transforming to take on tomorrow. Our ambitious Vision and the value we add to everything we do creates new knowledge that benefits society and transforms our students' lives. We are equipping our students to tackle tomorrow's challenges head on and to lead the way forward.

We are leading the way in social mobility and together with our focus on research intensity, Northumbria has the highest proportion of students from Widening Participation backgrounds of English Universities in the top 25 for research power. We are proud that 55% of our undergraduate cohort comes from the North East of England and that 63% of our graduates go into highly skilled employment in the region.

New Research Council-funded Doctoral Training Centres in renewable energy (EPSRC), and in climate and environmental sciences (NERC), doubling the total number of centres from two to four. Lead UK University in a £20m US/UK study of the West Antarctic Ice Sheet and global sea levels.





We have more graduates in managerial jobs in the North East than any other university, and more than the whole of the Russell Group combined.

We have strength in research and education across the whole institution, enabling high quality knowledge exchange through our work with others. Our people, and the alignment between their ambitions and those of the University, drive our continued transformation. Research is embedded in education and knowledge exchange to drive academic excellence, and in turn, education and knowledge exchange will transform outcomes for students and stakeholders. Our growing academic excellence will produce a stronger global reputation; we will work with more high reputation partners and it will enable us to diversify our income. Through organisational sustainability, efficiency, and effectiveness, we will deliver value for money, ensure that the resources are available to implement the Strategy, and manage the impact we have on our environment.

In relation to our work on gender equality, the department of Mechanical and Construction Engineering has been awarded an Athena Swan Bronze Award and in early October, the departments of

Arts and Design (submitted jointly) and Social Sciences were also awarded an Athena Swan bronze Award. At the end of September 2022, the departments of Mathematics, Physics and Electrical Engineering and Humanities also submitted their applications.

Knowledge creation

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

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

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

and stakeholders.

Current, demand-led courses

Northumbria University delivers high-quality teaching, learning and outcomes for our students in a research-rich learning environment.

Thanks to Northumbria's excellent links to industry our courses are recognised as delivering the skills global business needs. More than 430 employers sponsor our students, and more than 50 professional bodies accredit our courses. More than half of our undergraduate programmes are accredited by professional, statutory, and regulatory bodies and over one third of our academic staff hold professional registrations and memberships.

Up to 7,000 new nurses and midwives per year will complete the final stage of their training at Northumbria University after we were awarded a contract to become one of five national Observed Structured Clinical Examination (OSCE) testing centres. The University worked in partnership with The Newcastle upon Tyne Hospitals NHS Foundation Trust

and Newcastle City Council to submit the bid for centre status, which will also boost the wider regional economy.

Our REF results mean the city of Newcastle now boasts two research intensive universities, bringing a complementary set of research strengths to the city.

An excellent student experience

With more than 37,000 students, Northumbria is one of the largest universities in the UK, providing a diverse and comprehensive offer to its students. It has a national and global reach, with campuses in London and Amsterdam, and programmes delivered in collaboration with prestigious partners worldwide including in Sri Lanka, Indonesia, Singapore, and Malaysia. Almost 10,000 international students from 137 countries now study at one of Northumbria's campuses, or on a Northumbria course overseas.

As a result of our successful academic recruitment campaign in January 2022, 120 new colleagues have joined departments across the University. To continue our work to reshape and develop the academic staff base, and to maximise opportunities following our REF success, another recruitment campaign was launched on 15 September 2022, with the aim of attracting around 50 outstanding colleagues to join us, early in 2023.

We are committed to providing targeted and effective support to students to ensure they achieve their full potential. We offer a range of academic, support and wellbeing services, graduate start-up and careers and employability assistance, as well as outstanding facilities and resources.

Ensuring the best possible experience for all our students remains a priority for the year ahead. We aim to deliver a fulfilling and inclusive education in an engaging and research-intensive learning environment which enables our highly skilled graduates to succeed in their future careers and to make an impact on the world.

Value for Money

We have an ongoing and clear focus on ensuring Value for Money for our staff, students, and other stakeholders including taxpayers. Efficient and effective procurement of goods and services is a key enabler of this, as is the effective use of our resources including the estate. But we know that Value for Money means much more than this. We continue to ensure that Northumbria adds value across all its activities, through the student experience whilst studying, through support for employability, and through ensuring that we are transparent about how we use our resources.

Further Value for Money information, which is primarily focused on students and covers where the University's income comes from and how the income is spent, can be found on the University's website (<https://www.northumbria.ac.uk/about-us/university-services/finance-team/value-for-money-for-our-students/>).

Financial and operating outlook

Our financial strategy is to ensure a strong and sustainable University, able to generate surplus cashflows which allow delivery of an enhanced global reputation for academic excellence, and which support re-investment to drive income growth and diversity. The University Strategy is supported and enabled by financial plans which are designed to support ongoing investment whilst mitigating the significant risks we face.

The University remains in a strong financial position, with the positive results for 2021/22 building on those of previous years to provide a good cash buffer. This, along with good recruitment for the 2022/23 academic year, means the University can approach 2022/23 with confidence but recognising the financial challenges which may lie ahead.





Operating and financial review

The 2021/22 academic year proved to be a significant one for Northumbria. Whilst some of the disruption caused by the pandemic in the previous two years remained, particularly as the Omicron variant increased case numbers, many areas of operations including most teaching returned to a greater sense of normality. The year also saw the release of the hugely significant results of the 2021 Research Excellence Framework. These results, covered in more detail in Vision, Strategy and Impact, demonstrated the success of Northumbria's long-term strategy and will also make a notable contribution to the financial sustainability of the University in the coming years.

With longer-term sustainability being a key challenge for the sector, the 2021/22 financial results are particularly pleasing in setting a strong foundation for the future. The financial results, of course, reflect the strength of the University and how its staff, across all academic and professional support areas, have continued to collectively deliver the best possible research, teaching and student experience.

Financial performance and position

The 2021/22 financial performance was a particularly strong one, with the increasingly successful income diversification strategy helping to drive a strong operating outturn and cashflows:

Key financial metrics	2021/22 £'000	2020/21 £'000
Income	329,456	304,134
Operating surplus / (deficit)	401	2,502
Operating surplus before exceptional items	6,673	1,959
Adjusted EBITDA	42,214	39,229
Adjusted net operating cashflow	54,144	46,105
Cash and investments	129,518	100,040

- » Total income grew by £25.3m, partly as pandemic-impacted areas including student accommodation returned to more normal levels, but also as a result of the continued growth of activities beyond the core UK undergraduate teaching income.
- » The operating surplus reduced slightly from 2020/21 but once pension adjustments, which have no in-year cash impact, are excluded the underlying operating surplus before exceptional items increased by £4.7m to £6.7m.
- » Adjusted EBITDA (Note 30), being Earnings before FRS 102 pension adjustments, interest, tax, depreciation and amortisation, increased to £42.2m, compared to £39.2m in 2020/21
- » Adjusted net operating cashflow (Note 30), including recurrent capital grant funding of £4.2m (2020/21: £3.2m), was £54.1m, an increase of £8.0m compared to 2020/21. Adjusted net operating cashflow is the University's financial KPI for the 2021/22 period. A target of net adjusted operating cashflow of £26m-£30m on average across the 5-year period has been set, inclusive of recurrent capital grant funding (shown in the statutory cashflow statement under 'capital grants receipts'). The 2021/22 performance exceeded this target and, along with the previous three years' figures, gives an average for the three-year period of £44.8m.

Adjusted net operating cashflow is the key financial sustainability metric for the University Strategy 2018-2023. This metric allows us to focus on our ability to generate cash inflows, and is less prone than others to fluctuating accounting estimates resulting from equity values, changes in discount rates, and one-off provisions and impairments.

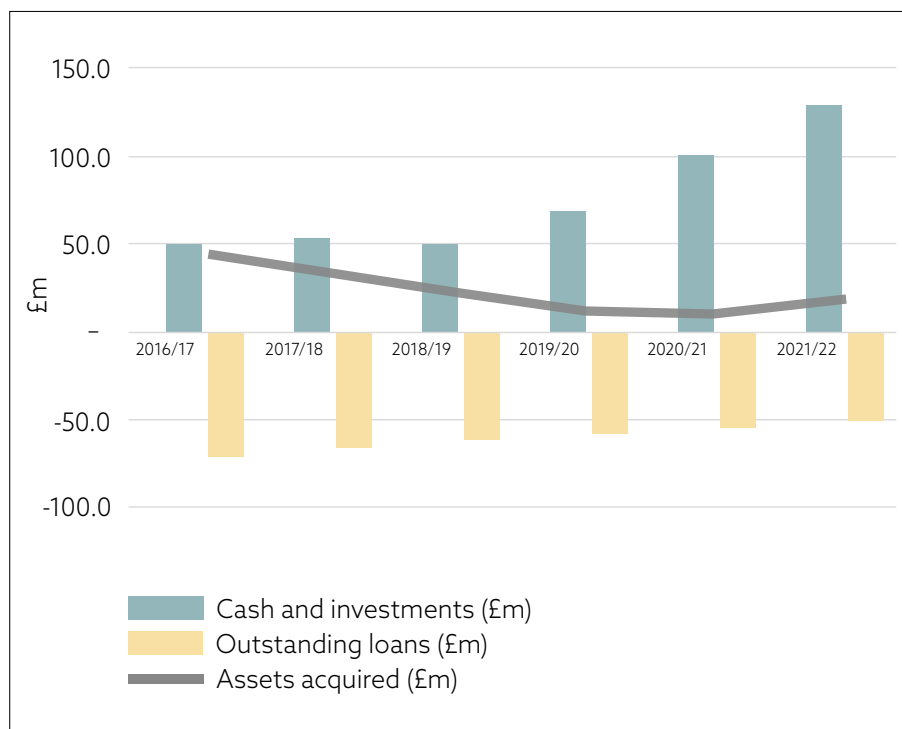
The strong operating performance set out above has further strengthened the University's financial position, ahead of a period which is expected to bring both challenges and opportunities as the University looks to capitalise on the exceptional REF 2021 result. The positive operating cashflows, along with a relatively modest capital plan saw cash and investments increasing by £29.5m to £129.5m, giving good headroom for future investment over the next 3-5 years of the University's strategy.

The University's remaining loan balances with Barclays Bank (payable over a 14-year period, at rates fixed via hedging arrangements) have also reduced by £3.3m to £50.5m, meaning net debt has decreased by £32.8m and net current assets have grown by £18.7m to £81.6m.

The University's reserves, excluding the pensions provision and hedging reserve, have increased by £22.7m to £348.6m. Excluding these reserves helps more clearly to show the underlying positive performance of the University, although both the pensions' provision and hedging reserve are indicative of some of the future challenges which may be faced.

The hedging reserve has decreased since 2020/21, partly as a portion of the Barclays loan has been repaid but also as a result of increasing borrowing costs and inflation. The hedged loans mean the University only has a small exposure to higher borrowing costs, but clearly rising inflation remains a concern.

The much-improved pensions' provision is indicative of the volatility of such provisions to changing market conditions and actuarial assumptions.



However, the ongoing need to plan for future pensions costs remains a major issue for the sector.

Income

The continued diversification of the University's income remains a key contributor to the ongoing financial sustainability of Northumbria. Total group income grew from £304.1m to £329.5m and, excluding the significant ongoing growth in the London Campus Joint Venture, showed an increase of £21.5m to £307.2m (7.5%).

Tuition income and student recruitment and retention

Total tuition fees for 2021/22 of £253.2m showed a 5.6% increase on the prior year. Excluding the significant growth in our London Campus, run in partnership with QA Higher Education, tuition fees

grew by £5.9m to £227.1m. As the London Campus has continued to grow, it has a material impact on the University's consolidated results, and therefore the underlying University results are referenced in a number of places in this report.

The growth in the University's own results is despite a planned reduction of £5.8m to full time UK and EU undergraduate student fees. These fees have reduced primarily as a result of the lower number of EU students (as such students no longer have access to student loan support), and also as the University has managed numbers down from the peak levels of recruitment in the pandemic.

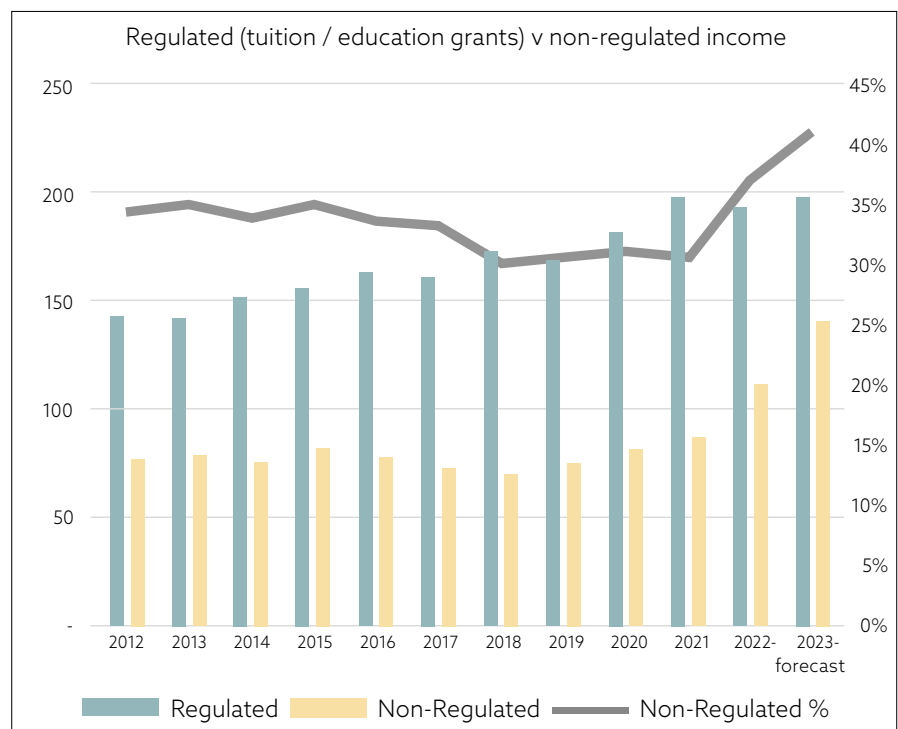
Excluding the full time UK undergraduate income, total tuition income in the

League tables	Current Ranking	Last Year
UK Ranking		
Complete University Guide	43	49
Times Good University Guide	49	62
Guardian University Guide	46	41
Worldwide Ranking		
THE World University Rankings	501-600	401-500
THE Young University Rankings	95	81
QS World University Rankings	651-700	701-750

University rose by £11.2m, primarily as a result of a £7.8m (23.4%) increase to international student fees. This reflects continued successful recruitment, highlighting the benefits of the long-term improvements to the University's reputation and rank both in the UK and internationally in an increasingly competitive recruitment landscape. The most recent league tables show Northumbria in the top 50 for all of the main UK rankings for the first time.

The retention of students is as important as their recruitment, and the University puts a significant effort into ensuring that no student loses the chance to study. The number of students accessing hardship support continued to increase in 2021/22, with a 11% increase from 2020/21 (28% increase since 2019/20). £1.3m was spent during the year providing targeted support to students experiencing financial hardship, as students from all levels of study and widening participation groups continued to be financially impacted by the pandemic and the rising cost of living. Responding to the continued increase in demand for support, investment was made in digital wellbeing and financial support platforms, complementing the specialist practitioner support available, enhancing the student experience, and supporting the retention, attainment, and success of all students.

To ensure our students get off to the best possible start and build a strong platform for success, we have developed a nine-month pre-enrolment programme differentiated by course, level and mode of study, and campus to prepare new students for study at Northumbria. This is followed by a six-week on-line skills, orientation and support offer for all new and returning students ahead of each new academic year. These activities are followed up with targeted academic, employability, wellbeing and social activities scheduled across the academic year, which have been brought into a new 'Be Part of It' campaign for 2022.



Our research enriched education and embedded experiential learning approaches ensures students gain cutting edge research alongside opportunities to engage in applied learning activities across their studies. This includes internship, volunteering and consultancy studies working with employers regionally, nationally and internationally.

Income diversification

UK/EU student fees remain the largest income source, but the University has continued to see growth in other income streams. Excluding the income from regulated full and part time UK undergraduate fees, and from recurrent education grants, total University income rose by £26.5m to £114.1m, prior to the consolidation of the London Campus results, showing the impact of the long-term focus on diversified income streams. Within this there was continued growth in international fees, with both the undergraduate and postgraduate cohorts increasing, reflecting both the attractiveness of the UK as a destination for study but also Northumbria's increasing reputation.

At the heart of this reputation is Northumbria's research strength, also shown by the REF result which is expected to lead to more than £10m per annum of additional core grant funding from 2022/23. The in-year income from research grants and contracts also grew by 61.8% to £19.9m. A key element of this growth was from contract research for the sequencing of the Covid virus but, even excluding this income, the total research income grew by £3.3m.

In STEM subjects, Northumbria continues to attract and retain outstanding research leaders, including Dr Jan De Rydt who was awarded a prestigious £1.2m, 7-year UK Research and Innovation (UKRI) Future Leader Fellowship for his work on Antarctic ice sheets and sea level rise in a changing climate. Dr Andy Smith recently joined Northumbria from UCL following a successful application for a £0.5m, five-year NERC Independent Research Fellowship investigating physics-inspired artificial intelligence to improve space weather forecasting. In arts and humanities, Northumbria has shown widespread excellence with four Arts and Humanities Research Council (ARHC) Research Development and Engagement Fellowships awarded in

2021. Alongside this, and further demonstrating our growing influence, Professor Katy Shaw has been appointed as the AHRC's Portfolio Director of Cultural and Creative Partnerships. In this role, Katy will lead a £1.5m project exploring how culture can address regional inequality. Northumbria's continuing commitment to excellence in research training has borne further fruit in the form of a six-year Centre for Doctoral Training in Data Intensive Science. The £1.3m STFC-funded NUData CDT, running in partnership with Newcastle University, will leverage the University's outstanding research in solar physics to train a cohort of students in data intensive research techniques which they will then apply in real-world contexts, supported by a range of industrial partners including Amazon, the BBC, Johnson Matthey and Northumbrian Water.

Other areas of diversification continue to benefit the University both financially and academically. Collaborative ventures (including Transnational Education partnerships and our collaboration with QA Higher Education on Pathway Programmes for international students) grew to £10.8m. In 2021/22, recruitment onto the Pathway Programme increased by 40%, with a population of 281 being the largest to date, whilst the 114 students who progressed from the Pathway Programme to level 4 or level 5 study was also the highest to date.

A flagship development during 2021/22 was the opening of a new Nursing and Midwifery Council Competence Test



Centre by Andrea Sutcliffe CBE, Chief Executive and Registrar of the Nursing and Midwifery Council and Duncan Burton, NHS England's Deputy Chief Nurse. With capacity for 45 examinations per day, the centre will

deliver c£9m of income per year once at full operational capacity. The centre, developed in partnership with Newcastle Hospitals NHS Foundation Trust, will support thousands of nurses into the NHS and also offers valuable research opportunities.

The University's London Campus continues to expand with income growing by 38.8% to £25.6m. In addition, our London Campus and Degree Apprenticeship programmes enrolled 3,110 new students in 2021/22 representing a 53% increase on 2020/21 students. Reaching the final phase of Northumbria London Campus expansion, QA, our strategic partners, have to date invested £16m, which from 2022 represents a four-fold growth in footprint, reflecting the scope of long term ambition of the partnership.

Cautious progress continues with our Amsterdam Campus. A difficult operating environment in a new market meant we reduced our postgraduate programmes from six to four in 2021, but the Joint Degree with our partner Amsterdam University of Applied Sciences started with a first cohort of 18 students in September 2021 and have increased towards a cohort of 46 starting in September 22. This shift towards joint programmes, along with the potential of the campus to provide diverse other opportunities, will be further explored during 2022/23. The Campus in Amsterdam remains a strategically important sign of our commitment to being an outward looking and international University and, as the partnership grows, it can be expected to contribute further to both our teaching and research opportunities.

Degree Apprenticeship student numbers also continue to grow, with these contributing to the growth in tuition income. The strength of our flagship partnerships with Northumbria and Durham Police Forces have seen total income from Degree Apprenticeships grow from £6.8m in 2020/21 to £9.2m, with student numbers growing on Northumbria's own courses growing from 1,348 to 1,465 and many more studying at partners.

The return to a more normal on-campus experience for staff and students saw some key income streams return to pre-pandemic levels. Residencies, catering and conferences income rose by £3.9m to £12.2m, and sports membership fees more than quadrupled. Whilst these were positive changes to income, just as importantly they were indicative of a return to a more thriving campus life.



Student experience

At Northumbria, we focus on ensuring that our students both have an enriching academic experience and also enjoy the wider benefits of attending a leading University in a fantastic city – whether that be Newcastle, London or Amsterdam. This year we were proud to be recognised in the 2021 Best Universities awards by StudentCrowd – an online resource for students, to read and write reviews about their university experience, the city they are living in, their part-time employment and more. The Best Universities awards cover several categories including Campus and Facilities, Clubs and Societies and Students' Union, in each of which Northumbria ranked within the top 20 across the UK.

A key focus of the past year has been to work closer than ever with our Students' Union to maximise our joint impact. We have launched a new events and awareness programme 'Be Part of It' which provides further opportunities for our students to form communities by being social, being active and being aware.



We continue to invest in facilities and have developed three new student hubs – vibrant spaces where our students can work, meet, drink, and eat together. Our London Campus has additionally completed a multimillion-pound expansion with state of the art IT, social learning and teaching spaces.

In student sport, 2021/22 saw regular student engagement and participation levels increase by 40% compared to 2018/19, a significant achievement as the University emerged from the Pandemic. 2022 also saw the return of the Northumbria vs Newcastle Varsity competition for the first time since 2018. The competition has been reshaped and is now a competition open to all student sport clubs, meaning that more of our students are able to proudly represent the University than ever before.

Graduate outcomes and employability is an area where Northumbria has excelled in recent years and we continue to focus on ensuring that we equip our students

to have the best possible prospects when they leave us. Northumbria is ranked in the Top 25 in the UK for graduates in highly skilled employment, and the recently published University Guides and league tables in the Times and the Guardian have Northumbria ranked 40th and 43rd (up 10 and 14 places respectively) for the proportion of graduates in highly skilled employment or further study.

Supporting and investing in our people

Before exceptional pension costs, staff costs within the University were £191.3m, 62.3% of total income (2020/21: £182.3m / 63.8%). The increased costs reflect increasing salary and pension costs as well as the return to more normal post-pandemic operations, with the number of full time equivalent professional support service roles increasing from 1,388 to 1,493 (Note 8). A slight increase in the number of academic staff meant that the academic

staff cohort has risen for the fifth successive year, reflecting the ongoing growth and ambition of Northumbria.

Investing in our staff is, of course, not solely about the cost base. Throughout 2021/22 colleagues had access to a comprehensive offer to support their development, wellbeing, and the ongoing transition to a hybrid way of working following the pandemic. 47 wellbeing sessions were held, with 1,393 colleagues engaged in at least one session, and the overall satisfaction rating for these was at 90%. Online wellbeing resources aligned to the NHS Five Ways to Wellbeing were available through the Wellbeing Intranet, and new dedicated pages for cancer, dealing with trauma, and financial wellbeing were added. This University offer was supplemented by support for 23 national and global wellbeing campaigns, helping further raise awareness of an important agenda.

Recognising the shift to hybrid working, there has been continued investment in IT equipment to ensure staff can work effectively both on campus and remotely, including additional facilities to provide hybrid collaboration and teaching. IT Services has also continued to invest in undergraduate and graduate opportunities, offering placements, part-time work and graduate positions to a total of ten students across the year.

A leadership development programme was delivered to 34 members of the Extended Leadership Team and a new leadership development programme was launched for members of the wider Academic Leadership Team. The University expanded the Internal Coaching Network by supporting a further five colleagues to complete their coaching qualification, taking the network to 23 qualified internal coaches available to coach colleagues from across faculties and services. 42 colleagues were supported to undertake apprenticeship qualifications and 22 colleagues received support to complete a professional qualification to enable them to achieve their career aspirations.



There has been significant investment in the Equality, Diversity and Inclusion (EDI) team, to grow capacity and ensure impact within four institutional focus areas of inclusion (Gender, Disability, LGBTQ* and BAME). The existing suite of EDI training was enhanced, and support was given to strengthen the EDI staff networks to give colleagues the opportunity to connect, socialise, and find support, as well as to share experiences and exchange knowledge. These networks encourage discussion and increase staff involvement in improving equality, diversity, and inclusion at the University, and also help support the University's achievement of external recognition for the work.

A modern and improved employment offer was introduced which brought people policies in line with the sector and enables the University to respond to the changing work environment. These include sector leading maternity, adoption and paternity pay.

Pensions

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

Membership of the University's own defined contribution pension scheme continues to grow, with 723 members (21.4% of the staff base) at the end of 2021/22 (2020/21: 685, 21.3% of the staff base). This scheme offers attractive terms for members by comparison with many pension arrangements (including a zero percent contribution rate option for members), whilst providing the University with certainty of costs both now and in the future.

The financial results show an exceptional pension cost for the year of £6.3m (2020/21: £0.5m credit). This relates to the Universities Superannuation Scheme (USS), for which the University recognises a provision in the accounts for the recovery of the deficit. As in 2020/21, the change to the provision is an accounting entry only and has no cashflow impact. The more significant cost in 2021/22 reflects that the 2020 valuation was concluded during the year, with the costs reflecting the assumptions underpinning the deficit recovery plan agreed with the USS Trustee. Importantly for Northumbria the final 2020 valuation outcome did not result in significant increases to employee or employer contributions and did not include restrictive covenant support measures.

Whilst the 2020 valuation was concluded, it is clear that a more comprehensive agreement is required for the long-term future of the USS scheme and it is likely that future valuations will also be challenging. The University will continue to engage with the Trustee and UUK to ensure future arrangements are appropriate for universities like Northumbria which have only a small exposure to the scheme. Northumbria also continues to engage with its members in the USS scheme to support them in understanding their pensions options, especially given the reduced benefits accruing from the USS scheme and with Northumbria able to offer other schemes.

The Local Government Pension Scheme (LGPS) deficit has significantly decreased in the year from £217.2m to £64.2m, largely as a result of a £170.6m actuarial gain on the long-term pensions liabilities. This actuarial gain results primarily from the increased discount rate used in line with wider market conditions. In addition to the reduction to the liability scheme assets grew by £5.5m, with a £6.1m return on investments and a net £0.6m outflow from benefits paid and contributions received. As with the USS scheme, whilst changes to the valuation of the assets and liabilities are indicative of the financial strength of the scheme, the movement in the deficit does not have an in-year cash impact. Instead, percentage contribution rates for current service, and any lump sum deficit

recovery payments, are set following each actuarial valuation. The next full valuation of the scheme will be dated 31 March 2022, with the results due in early 2023.

A significant cost increase was seen for the Teachers' Pension Scheme when the employer contribution rate increased to 23.6% from 16.47% in September 2019. This continues to add c£4.3m to the University's recurrent annual staffing costs, again illustrating the challenges of maintaining attractive pensions provision despite the cost increases.

Operating expenditure

Whilst the Omicron variant of Covid-19 meant some continued impact on University operations, there was also a clear focus on ensuring a good student

and staff experience. This meant that whilst some activity, such as travel and on-campus catering, remained at lower levels than previously, operating expenditure excluding depreciation and interest costs increased from £92.8m to £106.8m.

Within the University's own results (which exclude the consolidation of the growing London Campus income and costs) operating expenditure increased by £11.1m (14.8%), primarily as a result of: £1.1m increased spend on lab consumables to support teaching and provide students with practical experiential learning; a £2.3m increase in partnership payments which included increased Distance Learning provision with our partner Pearson; a £5.3m increase to building maintenance and



repairs as part of a focus on keeping the campuses fit for purpose; a £0.5m increase to gas and electric costs, and a £1.8m increase to bad debt costs reflecting the challenging economic operating environment over the past three years.

However, whilst costs have increased, the overarching strategy of managing the cost base in order to open up headroom for investment remains a core part of both the annual planning cycle and the longer-term financial strategy. The University therefore continues to prioritise investment in areas which support the strategy, and particularly focuses on:

- » *Enhancing and growing research*
- » *Delivering high quality teaching*
- » *Enhancing the student experience*
- » *Improving rank and reputation*
- » *Building resilience and efficiency across our operations, including IT and Estates*
- » *Growing non-regulated (non-OfS funded) income streams to enable future investment.*

Capital investment

The University continued to invest in its estate, equipment, and IT infrastructure as it emerged from the pandemic. £15.2m (Note 17) of capital additions were made to buildings, infrastructure and equipment, and £4.6m (Note 16) was invested in intangible assets (software and intellectual property). Among the major areas of investment were:

- » *£0.8m to develop the NMC examination centre.*
- » *£2.5m on the redevelopment of teaching laboratories in the Department of Mathematics, Physics & Electrical Engineering (MPEE), partly funded by £2.0m of capital grant funding from the OfS. This has supported investment in a new 120-seat microelectronics and communications laboratory, a 120-seat engineering IT hub, the refurbishment of a power electronics laboratory, and the creation of a new battery technology*

laboratory and new satellite engineering laboratory focused on the teaching of skills in the North East's emerging space industry.

- » *£0.2m to bring the University's music provision onto campus, creating teaching space in partnership with St James' United Reform Church, new practice rooms in the Sutherland Building, and the purchase of a new Steinway Model B grand piano for the Great Hall.*
- » *£0.9m to create a new 3g pitch to allow sport to be played all year-round regardless of the weather.*
- » *A £2.6m investment in low carbon heat pumps for City Campus East, supported by funding from the Public Sector Decarbonisation Fund.*
- » *£3.7m to strengthen the University's core IT infrastructure and to invest in equipment to support a more flexible pattern of hybrid working.*
- » *£4.0m to implement a new People and Finance system to support the University's key business processes.*

Alongside these more significant developments, work has continued to invest in the underlying physical and IT infrastructure, and to refresh and develop student-facing spaces and research facilities. In total, 48 projects were completed during the summer of 2022, helping ensure a strong student and staff experience for 2022/23.

Financial outlook and assessment of going concern

After two years where the financial outlook has been coloured by the pandemic the outlook in 2022 might be expected to be less challenging. In reality, whilst the pandemic challenges are receding, they have been replaced by those associated with higher inflation and wider economic upheaval. Nonetheless, whilst these challenges should not be underestimated Northumbria continues to be able to approach the future with confidence.

At the heart of this confidence are the strong financial results for 2021/22,

which built on an already strong financial base to provide a significant cash buffer of £128.6m. This continues to provide both a safety net in the event of further unexpected challenges, and a basis from which to invest in the strategy. The 2022/23 academic and financial year has also started strongly, with slightly above budget recruitment to the key semester 1 intake for both home and international students, and the announcement in late 2021/22 of an additional c£10m per annum of core research funding.

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

- » *Setting a budget with significant income and investment contingencies prioritised towards protecting the headroom whilst facilitating strategic investments*
- » *A clear in-year process for the release of investment funding to ensure its impact is maximized.*

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

» Regular reviews of performance, including via the annual budgets and five-year forecasts submitted to the OfS

» Regular reviews of performance against budgets and forecasts, using net adjusted operating cashflow as a key performance indicator relevant to institutional financial sustainability

» The University's strategic risk register, and the reporting on this via the Employment & Finance and the Audit Committees

» Updates on compliance with the financial covenants of the University's lenders, Barclays plc, and of compliance with measures required by OfS

» 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

Our Carbon Commitment

Northumbria University recognises the need for urgent action to reduce carbon emissions to tackle dangerous climate change. Our aim for 2030, detailed in our **Carbon Management Strategy**, is to have a highly efficient and low carbon University that leads the way in delivering real reductions in energy consumption and carbon emissions, and which puts the University on a trajectory to achieve Net Zero Carbon by no later than 2040.

Since 2015 we have reduced our Carbon Emissions by 61%, as well as reducing gas consumption by 22% and electricity consumption by 30%.

Over the past year we have carried out projects including LED lighting upgrades and Building Management System improvements, to reduce energy use, as well as our first Heat Decarbonisation project; installing over 1MW of Air Source Heat Pumps on City Campus East. This exemplar project was aided with a £1.7m grant from the Public Sector Decarbonisation Scheme and will reduce carbon emissions by 300 tonnes per year. We are also developing a Heat Decarbonisation Strategy for all of the buildings on City campus, to determine the most effective method of removing fossil fuels from our heating systems. In 2022/23 the University will continue to invest, with projects planned to install solar panels, replacement ventilation fans and further LED lighting upgrades across the campus, costing £1.9m and saving a further 159 tonnes CO₂ a year.

Carbon Emissions 2021-22

We report on Scope 1, Scope 2 and a selection of Scope 3 emissions. These include those from gas, electricity, petrol, diesel and heat purchased from the Trinity Square heat network, refrigerant gases, business travel, waste, water and electricity transmission losses.

The baseline year for these emissions, which we report against annually, is 2014/15.

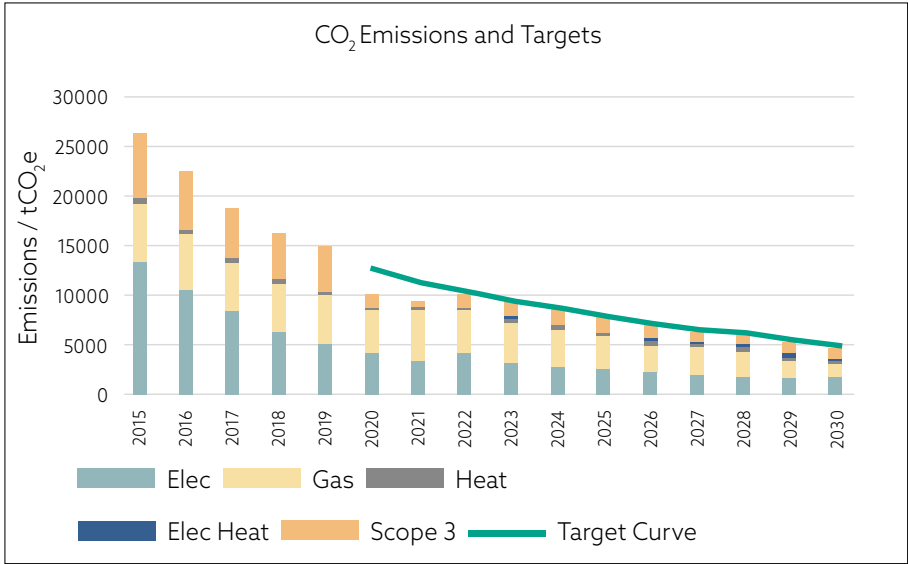
All of our electricity is purchased through "Green" energy tariffs, but we report emissions as grid average.

Our Carbon Emissions for 2021/22 were 10,394 tonnes CO₂e. This was a small increase on the two previous years, which were artificially low due to COVID restrictions which restricted travel and closed some buildings during lockdowns.

However, despite this increase, emissions were below the target for the year, which was 10,970 tonnes CO₂e.

In the coming year, sustainability will continue to be high on our agenda, building on our excellent international reputation in this area. We are a 'First Class University' according to the People & Planet University League and are

ranked in the top 15% of universities in the THE Impact League, which took submissions from over 1,400 Higher Education institutions from across the globe. In addition, the University's Environmental Management System is certified to the ISO 14001 standard. There is a lot to be proud of in what has been achieved and we want next year to be even better.





Northumbria University NEWCASTLE

Principal uncertainties and how we respond to them

The external regulatory and operating environment for HE providers in England continues to change amidst significant political turbulence and economic uncertainty, compounded by the impact of the Covid-19 pandemic and related changes to ways of learning and working. A firm commitment to our Vision 2030 horizon and the University Strategy 2018-24 objectives provides the

steady focus with which we navigate through the current competitive pressures and uncertain landscape.

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 our Statement of Internal Control, to support its strategic and operational planning objectives, to respond appropriately to the changing environment.

Our Strategic Risks for 2021/22, listed below, remain anchored into the strategic objectives in our University Strategy 2018-24.



<p>Student outcomes and experience</p> <p>We aim to improve student outcomes, experience and satisfaction. Student feedback and educational learning analytics support direct engagement of students in shaping and influencing changes to our academic portfolio, our technology, estate and facilities and a range of plans.</p>	<p>Research culture, quality and Standards</p> <p>REF 2021 results showed Northumbria's research power ranking rising 27 places to 23rd. 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 which impacts positively on society.</p>
<p>Staff Engagement and Culture</p> <p>Our Strategic Plan for People supports delivery of the University Strategy 2018-24 and the development of our culture remains a key priority. Leadership development and team working have played a crucial role throughout the Covid-19 pandemic and now the return to on-campus working. Regular staff communications have strengthened the culture, with particular emphasis on health, safety and wellbeing.</p>	<p>Financial sustainability</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>International opportunities and uncertainties</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 emergence from the Covid-19 pandemic. Our International Strategy will remain flexible and responsive to the changing global opportunities.</p>	<p>Brand, reputation and market position</p> <p>We continue to improve our distinctive offer building on the REF results to reflect our strength and ambition, and this is illustrated in our improving market position. The brand remains crucial to reinforcing Northumbria's reputation as a challenger institution within the HE market. Success in our fundamental areas of education and research support our efforts to drive performance and market position.</p>
<p>Strategic Partnership opportunities</p> <p>The development of new and existing high-quality strategic partnerships forms a central strand of our Strategy both at home and abroad, across our full scope of activities. These partnerships provide a broad range of research, educational and employment opportunities for our students and staff.</p>	<p>Exploiting benefits from the University Estates</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.</p>
<p>Managing compliance</p> <p>We ensure pro-active, 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.</p>	<p>Covid-19 Pandemic</p> <p>We continue to manage the emergence from and longer-term implications of the Covid-19 pandemic across all university activities to minimise business disruption, meet student expectations, promote staff and student wellbeing and manage financial impact.</p>
<p>Fit-for-Purpose, resilient Business Processes</p> <p>We maximise opportunities to ensure fit for purpose operational business processes that are resilient when disrupted including supporting the digital fluency of staff and students and services that are underpinned by secure digital systems.</p>	<p>Fit-for-purpose, Resilient, Secure IT Infrastructure and Data Management</p> <p>We continue to improve the information technology infrastructure and security protocols, and data loss prevention capabilities that underpin the student and stakeholder experience.</p>

While these key risk areas continue to align with those reported in previous years, the coming years present clear challenges as a result of the heightened international and national political economic and societal uncertainties as well as the Government's emerging reforms to the Higher Education sector and we will respond with innovation and flexibility. A revised Strategic Risk Register setting out our response to these challenges was approved by Board of Governors on 3 October 2022, and addresses the following risks and uncertainties:

- » Staff are not engaged which impacts culture and the achievement of objectives
- » Inability to recruit and retain quality and diverse staff into the right roles

- » Failure to grow research quality, impact and income
- » Research activity does not meet required research compliance and quality standards
- » Teaching and learning does not allow students to reach their full potential
- » The broader student experience does not match expectations
- » Overall student recruitment and income targets are not met
- » The University does not have a strong and sustainable global presence
- » Serious compliance failure
- » The University is not financially sustainable

- » Failure to maintain and enhance the information technology infrastructure, capabilities and security
- » Failure to enhance and maintain functional suitability of the University estate
- » Fit for purpose and resilient business processes are not in place and working
- » Failure to maximise benefit from place-based partnerships
- » Failure to maintain and enhance the University's brand, reputation and market position



Public benefit role

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 2021/22 Northumbria University charged a £9,250 fee for UK/EU 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 five-year Access and Participation Plan 2020/21 – 2024/25 approved by the Office for Students (OfS) in December 2019. In line with OfS guidance, variations to the plan were submitted in July 2022, with new focus on four key priority areas: -

- Accessibility
- School Partnerships for Attainment

- Successful Participation and Outcomes
- Develop more flexible and diverse provision

The plan is outcome focused and ambitious and includes a series of stretching targets across the Access, Success and Progression lifecycle which will be monitored annually by the OfS. Examples include targets to halve the attainment gap between white and black students over a five-year period and to halve the gap in continuation between students in POLAR Quintiles Q1 and Q5 in the same timeframe. A full review of the student lifecycle versus under-represented groups was undertaken when preparing the Access and Participation Plan. This compared University performance over the previous five years against the sector and was underpinned by datasets provided by the OfS. This showed that the University had performed well against the sector (and regional comparators) in a number of areas including non-continuation – gaps between white and other ethnicities, Mature students – gaps in attainment between young and mature.

The latest OfS Access and Participation dashboard published in Spring 2022 shows that good progress has been made on a number of targets across Access, Success and Progression.

In 2021/22, the University invested over £3 million in access, success and progression and £1.3 million in hardship support, and continues to support the Social Mobility Pledge: the Northumbria University Opportunity Action Plan will demonstrate the University's commitment to making a positive impact in the local communities and playing a leading role in tackling the emerging COVID-19 Opportunity Gap.

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. These include:

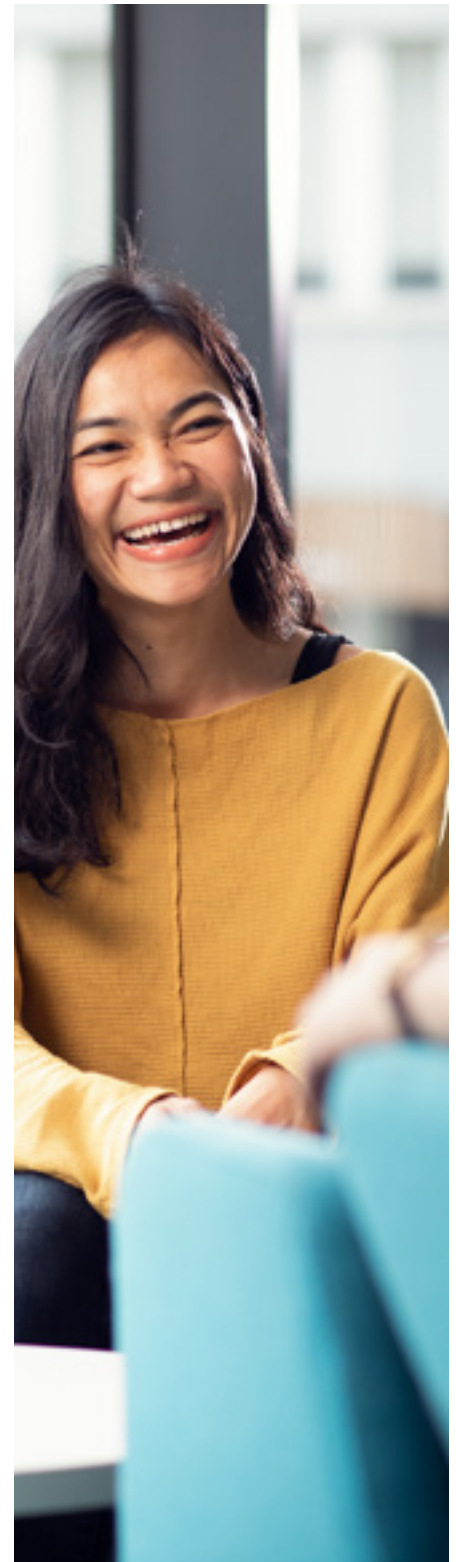
- 'NU Entry', a structured scheme for students in their first year of sixth form or college who meet specific criteria, supports students to develop the skills necessary for successful undergraduate study and have the opportunity to earn points, equivalent to 16 UCAS tariff points, for access to Northumbria. In 2021-22 the programme, which is now nationwide, engaged 570 students.
- 'Destination Northumbria', a scheme, piloted in 2021-22, for students in their second year of a sixth form or college within the North East, who meet specific 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. In 2021-22 the programme engaged 200 students.
- 'Access NU', a 1-year programme, piloted in 2021-22, for students who will be 21 or over when starting their undergraduate degree course and who are currently in their final or only year studying a level 3 programme, designed to support adult learners in their transition to university and have the opportunity to earn points, equivalent to 16 UCAS tariff points, for access to Northumbria. In 2021-22 the programme engaged 158 students.
- The North East Raising Aspiration Partnership (NERAP) collaboration between the five North East universities working together to ensure every young person has the opportunity to make informed decisions about higher education, specifically for key groups under-represented in HE. Northumbria has signed up to the Care Leavers

Covenant in collaboration with NERAP, to offer care leavers a bespoke package of support, including pre-application, post-application and when enrolled as students at the university.

- The North East Uni-Connect Programme (NEUCP), working with universities and colleges in the North East region to support young people in the North East in considering their future options and pathways available to them.
- IntoUniversity Newcastle East, a centre in Walker, opened in partnership with Northumbria University and 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 well-being, 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 with students and the Students' Union to co-design a university-wide peer support scheme, empowering and training student mentors across a targeted range of support areas and specifically targeted at under-represented groups, including well-being and academic success and employability.
- Targeted employability initiatives and opportunities including internships, placements, study abroad, recruitment simulation, enterprise and career readiness, and alumni mentoring.



Statement of corporate governance

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. During 2021/22 the Board of Governors oversaw the implementation of the recommendations of the Governance Effectiveness Review conducted in 2020/21, including approving a full revised set of governing documents in April and June 2022.

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

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

The Board of Governors has a range of strategic, regulatory and wider stewardship responsibilities which are not delegated to any other individual(s) or bodies. The Board's strategic responsibilities include approving and reviewing performance against Vision 2030 and the University Strategy 2018-24 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 has committees with responsibility for Employment and Finance, Strategic Performance, Audit, Nominations and Remuneration. The Academic Board, chaired by the Vice-Chancellor and Chief Executive, makes reports to the Board of Governors.
- 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
Employment and Finance Committee	<ul style="list-style-type: none"> • Approves and monitors employment strategy and policy, finance strategy, estates, IT and other capital projects to support the University Strategy 2018-24.
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 2018-24, 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.
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 to 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 2021 to 31 March 2022

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 2020 to 31 March 2021

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
42	39.88

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%	0
100%	1

The percentage of the total pay bill spent on facility time

Total cost of facility time	£196,151
Total pay bill	£170,459,637
Percentage of the total pay bill spent on facility time	0.12%

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
18.93%

Statement of internal control

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 Head of 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

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.

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

Annual remuneration statement

This Annual Remuneration Statement 2021/22 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 2021/22.

The Remuneration Committee's remit and membership for 2021/22 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:

- I. A fair, appropriate and justifiable level of remuneration;
- II. Procedural fairness; and
- III. 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 2018-24, our financial sustainability and our culture and values. Remuneration is one of a number of influential factors in the recruitment, retention and recognition of a high quality and diverse workforce. Senior staff remuneration levels at Northumbria are set in the context of the significant ambition and achievements of the University. 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.

Assessing and determining the Vice-Chancellor and Chief Executive's base salary and total remuneration

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

- Publicly available data with commentary and context as published in each HEI's annual financial statements on the base salary and total remuneration (including other taxable and non-taxable benefits) of the heads of institution in the North East region based on three years of prior data;

- Five-year data with commentary and context on the total remuneration packages of heads of institution at institutions of a similar type, size and scale;
- 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.
- Relevant CUC salary survey data

The base salary for this role increased by 1.5% in August 2021. This increase was the same as the national pay settlement and applied for all other staff in the University. No pay increase was made in August 2020 and in August 2019 the base salary increased by 1% which was lower than the 1.8% increase paid to staff covered by national pay bargaining (Grades 1-8) and Grade 9.

The Vice-Chancellor and Chief Executive, Professor Andrew Wathey, retired from the University on 17 May 2022 and an Interim Vice Chancellor and Chief Executive, Professor Tom Lawson, was in post from 18 May 2022 until 31 July 2022.

The following table provides breakdown of the Vice-Chancellor and Chief Executive's remuneration for 2021/22 (and 2020/21 where applicable for comparative purposes).

AUDITED INFORMATION	Year Ended 31 July 2022		Year Ended 31 July 2021
	01 August 2021 to 17 May 2022	18 May 2022 to 31 July 2022	
	£'000	£'000	£'000
Emoluments of the Vice-Chancellor and Chief Executive			
Salary	208	49	257
Payments in lieu of pension contributions*	21*	-	26
Annual Strategic Incentive Scheme of Exceptional Performance	18	-	-
Benefits in kind	2		2
	249	49	285
Pension contributions	19	13	17
	268	62	302

* Professor Wathey partially opted out of the USS pension scheme in April 2017 and from this date received payments in lieu of employer pension contributions. These payments were made under the university policy at a rate of 13% (compared to the USS pension contribution rate of 21.1%).

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 2022		Year Ended 31 July 2021
	Definition	Headline calculation	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.	£257k: highest base salary (Vice-Chancellor and Chief Executive) £39k: median staff base salary	6.5	6.4
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.	£330k: total remuneration of the Vice-Chancellor and Chief Executive. £44k: Median staff total remuneration.	7.5	6.3

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

On an annual basis Remuneration Committee reviews the salary levels of all members of the University Executive and Senior Management Group, on the recommendation of the Vice-Chancellor and Chief Executive to Remuneration Committee taking into account a review of relevant sector and market pay data.

The total base pay of the University Executive members, who are defined for reporting terms as the 'key management personnel'¹, is provided in the table below and provides a comparison between 2021/22 and 2020/21:

Key management personnel compensation (i.e. remuneration)		
AUDITED INFORMATION		
	Consolidated	
	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
	3,374	2,845

The base salaries of higher paid staff are provided in the table on the following page in £5k bands over £100k as required by the OfS Accounts Direction. Not all members of the University Executive and Senior Management Group receive a base salary (or total remuneration) of £100k or more, hence the differences between the table below and total senior staff remuneration.

There are six (2021 : two) members of staff who earn more than £100k and were not members of University Executive or the Senior Management Group at any point in the year.

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	
	2021/22	2021/22
	Staff FTE	Staff FTE
Remuneration of other higher paid staff		
£100,000 - £104,999	3	1
£105,000 - £109,999	4	1
£110,000 - £114,999	2	0
£115,000 - £119,999	0	3
£120,000 - £124,999	0	1
£125,000 - £129,999	7	5
£130,000 - £134,999	2	0
£135,000 - £139,999	1	2
£140,000 - £144,999	2	2
£205,000 - £209,999	1	0
£255,000 - £259,999	0	1

The table above includes one member of staff, whose annual salary as at July 2022 did not exceed £100k, but who had been remunerated in excess of £100k over the course of the financial year.

Performance-based Reward Scheme

The Strategic Annual Incentive Scheme for Exceptional Performance was approved in November 2019 by the Board of Governors on the recommendation of the Remuneration Committee.

In Spring 2020, the members of the Senior Management Group (those eligible to receive a payment) indicated to the Board their collective intention, in light of the challenges faced by the University in relation to the Covid 19 pandemic, not to receive any payments in October 2020 (based on performance in 2019-20) and in October 2021 (based on performance in 2020-21).

Remuneration Committee confirmed in June 2021 that the Strategic Annual Incentive Scheme should be operated for the academic year 2021/22. Payments, totalling £200k, were made to 21 participants in October 2022. As a result of a review of the Scheme during 2021/22 it was agreed that the Scheme be permanently withdrawn with effect from the end of Academic year 2021/22.

Compensation for loss of office (AUDITED INFORMATION)

A total amount of £1.7m (2020/21: £204k) was charged to the statement of comprehensive income and expenditure in relation to 49 individuals (2020/21:18) as compensation for loss of office (excluding payments in lieu of notice).

External appointments and expenses

University Executive and Senior Management Group members must seek approval for any proposed 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. The Vice-Chancellor and Chief Executive (now retired) was a non-Executive Director (NED) of the Board of the Student Loans Company (SLC) (appointed until January 2024). Remuneration for the role is £17k per annum, plus an additional £3k per annum to serve as a member of the Audit and Remuneration Committees, amounting to total remuneration of £20k. The fee was paid to the Vice-Chancellor (to allow income tax and National Insurance contributions to be deducted) and, as agreed by Remuneration Committee, was subsequently transferred to the University's Access to Learning Fund (ALF), for student hardship.

The Interim Vice-Chancellor and Chief Executive was an NED for the NHS Trust and is not remunerated for this role.

Lucy Winskell as Chair of the North East Local Enterprise Partnership took a contract reduction to 0.8FTE to allow her to undertake this role, remuneration for which is £20k per year.

Senior staff, as with all staff, must comply with the University's Travel and Expenditure Policy which requires the reasonable, proportionate and accountable use of expenses, noting that these incurred solely for business purposes and are wholly separate from remuneration. All expenditure for the Vice-Chancellor and Chief Executive, University Executive and Senior Management Group is 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 as approved by the Privy Council 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 (and from which those Governors who were beneficiaries of it were exempt from voting).

During 2021/22 the following Governors were remunerated:

Dr Roberta Blackman-Woods, Pro-Chancellor and Chair of the Board of Governors - £25,000

Craig Apsey, Independent Governor and Chair of Strategic Performance Committee - £7,500

James Bromiley, Independent Governor and Chair of Audit Committee - £7,500

Helen Fairfoul, Independent Governor and Chair of Employment and Finance Committee - £7,500

Peter Judge MBE, Senior Independent Governor and Chair of Remuneration Committee £7,500

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, 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 2021/22, 4 Governors claimed expenses (2020/21: no Governors claimed expenses).

Register of governors and professional advisors

The Chancellor

The Baroness Grey-Thompson DBE, DL

The Board of Governors

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

Craig Apsey (Independent Governor)

Livia Bird (Students' Union Representative)

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

James Bromiley (Independent Governor)

Jean Brown² (Academic Board Nominee)

Lorraine Brown³
(Professional Services Staff Representative)

Emma Collier⁴ (Students' Union Representative)

Helen Fairfoul (Independent Governor)

Dr Stuart Fancey (Independent Governor)

Katherine Fawcett⁵
(Professional Services Staff Representative)

Sophie Haagensen (Independent Governor)

Peter Judge MBE (Senior Independent Governor)

Professor Tom Lawson⁶
(Interim Vice-Chancellor and Chief Executive)

Daniel Monk⁷ (Academic Board Nominee)

Elizabeth (Libby) Orme⁸ (Academic Board Nominee)

Sally Pelham
(Pro-Chancellor and Deputy Chair of the Board)

Nicholas Pope⁹ (Independent Governor)

John Taylor (Academic Staff Representative)

Amy Rice-Thomson (Independent Governor)

Ava Sjoberg (Students' Union Representative)

Gareth Smith¹⁰ (Students' Union Representative)

Helen Thorne MBE (Independent Governor)

Professor Andrew Wathey CBE¹¹
(Vice-Chancellor and Chief Executive)

Dr Jeya Wilson¹² (Independent Governor)

Simon Yellowley (Independent Governor)

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

²Term of office ended on 30 September 2021

³Term of office ended on 15 December 2021

⁴Term of office began on 13 January 2022

⁵Term of office began on 16 December 2021

⁶Term of office began 18 May 2022 and ended 31 July 2022

⁷Term of office ended on 30 September 2021

⁸Term of office began 18 October 2021

⁹Resigned 3 May 2022

¹⁰Resigned 15 December 2021

¹¹Term of office ended 17 May 2022

¹²Resigned 20 October 2021

Membership of the Committees of the Board in 2021/22 (other than Academic Board) is provided below:

Audit Committee

James Bromiley (Chair)

Peter Judge MBE

Sally Pelham

Amy Rice-Thomson

Alasdair Corfield (Co-opted Member)

John Hudson (Co-opted Member) (from 29 November 2021)

Nominations Committee

Dr Roberta Blackman-Woods (Chair)

Craig Apsey

James Bromiley

Helen Fairfoul

Professor Tom Lawson (from 18 May 2021)

Peter Judge MBE

Professor Andrew Wathey CBE (until 17 May 2022)

Strategic Performance Committee

Craig Apsey (Chair)

Dr Roberta Blackman-Woods

Jean Brown (until 30 September 2021)

Emma Collier (from 13 January 2022)

Katherine Fawcett (from 16 December 2021)

Sophie Haagensen

Professor Tom Lawson (from 18 May 2021)

Helen Thorne MBE

Professor Andrew Wathey CBE (until 17 May 2022)

Simon Yellowley

Employment and Finance Committee

Helen Fairfoul (Chair)

Craig Apsey

Dr Roberta Blackman-Woods

Dr Stuart Fancey

Professor Tom Lawson (from 18 May 2021)

Nicholas Pope (until 3 May 2022)

Professor Andrew Wathey CBE (until 17 May 2022)

David Pearson (Co-opted Member)

Remuneration Committee

Peter Judge MBE (Chair)

Dr Roberta Blackman-Woods

Helen Fairfoul

Graeme Hudson (Co-opted Member)

Register of interests

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

Price Waterhouse Coopers LLP (PWC)
1 Embankment Place
London
WC2N 6RH

Bankers

Barclays Bank plc

49-51 Northumberland Street
Newcastle upon Tyne
NE1 7AF

Bank of Scotland

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

Handelsbanken

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

HSBC

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

Nationwide Building Society

Kings Park Road
Moulton Park
Northampton
NN3 6NW

Santander UK plc

Level 9 Baltic Place
South Shore Road
Gateshead
NE8 3AE

ABN AMRO Bank N.V.

Foppingadreef
22 Amsterdam
BO-number 3069.63

Independent auditor's report of the Board of Governors or Northumbria University

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 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated Statement of Changes in Reserves, University Statement of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated and University Statement of Cash Flows and related notes, including the Statement of Principal Accounting Policies in Note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2022, and of the Group's and 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 they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have 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 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;
- 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 University's high-level policies and procedures to prevent and detect fraud, and the public interest disclosure "whistleblowing" policy as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit Committee minutes.

- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the correct period.

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, year-end journals adjusting LGPS balances, tuition fee journals posted to unusual accounts.
- We sample tested cash income for courses that spanned the year end of 31 July 2022 to supporting documentation to test that revenue had been recorded in the correct period.

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

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

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 area 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 Forward, 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 opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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 their statement set out on page 34, 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 parent 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 parent 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 dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' Director for Fair Access and Participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 10 has been materially misstated.

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

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Board of Governors and 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.



Clare Partridge (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
Sovereign Square
Sovereign Street
Leeds
LS1 4DA

12 December 2022

Financial statements

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE YEAR ENDED 31 JULY 2022

		Year Ended 31 July 2022		Year Ended 31 July 2021	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	253,193	227,080	239,859	220,989
Funding body grants	2	24,872	24,871	24,210	24,210
Research grants and contracts	4	19,892	19,892	12,335	12,335
Other income	5	30,294	34,799	27,387	27,870
Investment income	6	1,009	384	120	123
Donations and endowments	7	196	196	223	223
Total income		329,456	307,222	304,134	285,750
Expenditure					
Staff costs					
Before exceptional pension costs	8	191,204	191,317	182,612	182,320
Exceptional pension debit/(credit)	8	6,178	6,178	(543)	(543)
Total staff costs		197,382	197,495	182,069	181,777
Other operating expenses		106,800	85,607	92,845	74,418
Depreciation and amortisation	16,17	18,601	18,601	20,426	20,426
Interest and other finance costs	11	6,272	6,272	6,292	6,292
Total expenditure		329,055	307,975	301,632	282,913
Surplus/(deficit) / before tax		401	(753)	2,502	2,837
Taxation	12	(624)	(225)	(90)	(172)
Surplus/(deficit) for the year		(223)	(978)	2,412	2,665
Actuarial gain/(loss) in respect of pensions	28	170,855	170,855	55,372	55,372
Change in fair value of hedging financial instruments	29	9,249	9,249	4,145	4,145
Exchange differences on translation of foreign operations		4	-	104	-
Total comprehensive income/ (expense) for the year		179,885	179,126	62,033	62,182
Represented by					
Unrestricted comprehensive income/(expense) for the year		179,788	179,029	62,816	62,816
Restricted comprehensive income/(expense) for the year		97	97	217	217
Surplus / (deficit) for the year attributable to:					
Non-controlling interest		1,217		158	
University		(1,440)		2,254	
Total comprehensive (expense) / income for the year attributable to:					
Non-controlling interest		1,217		158	
University		178,668		61,875	

All items of income and expenditure relate to continuing activities.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

	Note	Income and expenditure account		Hedging reserve	Non-controlling interest	Total
		Unrestricted	Restricted			
		£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020		40,400	136	(21,673)	1,090	19,953
Surplus from the statement of comprehensive income and expenditure		2,093	161	-	158	2,412
Actuarial gains on pension schemes	28	55,372		-	-	55,372
Change in fair value of hedging financial instruments	29	-		4,145	-	4,145
Exchange differences on translation of foreign operations		104		-	-	104
Total comprehensive income for the year		57,569	161	4,145	158	62,033
Balance at 1 August 2021		97,969	297	(17,528)	1,248	81,986
Surplus/(deficit) from the statement of comprehensive income and expenditure		(1,537)	97	-	1,217	(223)
Actuarial gains on pension schemes	28	170,855	-	-	-	170,855
Change in fair value of hedging financial instruments	29	-		9,249	-	9,249
Exchange differences on translation of foreign operations		4	-	-	-	4
Total comprehensive expense for the year		169,322	97	9,249	1,217	179,885
Balance at 31 July 2022		267,291	394	(8,279)	2,465	261,871

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

	Note	Income and expenditure account		Hedging reserve	Total
		Unrestricted	Restricted		
		£'000	£'000	£'000	£'000
Balance at 1 August 2020		41,993	136	(21,673)	20,456
Surplus from the statement of comprehensive income and expenditure		2,504	161	-	2,665
Actuarial gain/(loss) on pension schemes	28	55,372	-	-	55,372
Change in fair value of hedging financial instruments	29	-	-	4,145	4,145
Total comprehensive income for the year		57,876	161	4,145	62,182
Balance at 1 August 2021		99,869	297	(17,528)	82,638
Surplus/(deficit) from the statement of comprehensive income and expenditure		(1,075)	97	-	(978)
Actuarial gains on pension schemes	28	170,855	-	-	170,855
Change in fair value of hedging financial instruments	29	-	-	9,249	9,249
Total comprehensive income for the year		169,780	97	9,249	179,126
Balance at 31 July 2022		269,649	394	(8,279)	261,764

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2022

As at 31 July 2022			As at 31 July 2021		
		Consolidated	University	Consolidated	University
	Note	£'000	£'000	£'000	£'000
NON-CURRENT ASSETS					
Investments	13,14,15	160	2,322	160	161
Intangible assets	16	6,347	6,347	4,037	4,037
Tangible fixed assets	17	309,460	309,460	310,537	310,537
		315,967	318,129	314,734	314,735
CURRENT ASSETS					
Stocks		6	6	6	6
Trade and other receivables	18	56,353	31,685	47,056	29,993
Investments	19	14,000	14,000	14,000	14,000
Cash and cash equivalents	24	115,518	114,632	86,040	85,378
		185,877	160,323	147,102	129,376
Creditors – amounts falling due within one year	21	(104,317)	(81,032)	(84,042)	(65,666)
NET CURRENT ASSETS		81,560	79,291	63,060	63,710
TOTAL ASSETS LESS CURRENT LIABILITIES		397,527	397,420	377,793	378,445
Creditors – amounts falling due after more than one year	22	(55,404)	(55,404)	(67,953)	(67,953)
Provisions					
Pension provisions	23	(78,453)	(78,453)	(225,659)	(225,659)
Other provisions	23	(1,799)	(1,799)	(2,195)	(2,195)
TOTAL NET ASSETS		261,871	261,764	81,986	82,638
Restricted reserves					
Income and expenditure reserve - Restricted		394	394	297	297
Unrestricted reserves					
Income and expenditure reserve - Unrestricted		267,291	269,649	97,969	99,869
Hedging reserve	29	(8,279)	(8,279)	(17,528)	(17,528)
Non-controlling interest		2,465	-	1,248	-
		261,871	261,764	81,986	82,638

The financial statements on pages **47-80** were approved by the Board of Governors on 28 November 2022 and signed on their behalf by:



Dr Roberta Blackman-Woods
Chair of the Board of Governors



Professor Andy Long
Vice-Chancellor and Chief Executive

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CASH FLOWS

YEAR ENDED 31 JULY 2022

As at 31 July 2022			As at 31 July 2021		
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cashflows from operating activities					
Surplus/(deficit) for the year		(223)	(978)	2,412	2,665
Adjustments for non-cash items					
Depreciation of fixed assets	17	16,305	16,305	16,970	16,970
Amortisation of intangible assets	16	2,296	2,296	3,456	3,456
Pension adjustments	28	13,967	13,967	13,650	13,650
(Increase) in debtors	18	(9,305)	(1,620)	(16,050)	(8,228)
Increase in creditors		20,299	15,365	20,473	12,993
Increase/(Decrease) in pension provisions		5,938	5,938	(785)	(785)
(Decrease) in other provisions		(396)	(396)	(193)	(193)
Investment income	6	(1,009)	(384)	(120)	(123)
Interest payable	11	6,272	6,272	6,292	6,292
Capital grant income		(4,224)	(4,224)	(3,218)	(3,218)
Loss on translation of foreign subsidiary		-	133	-	-
		49,920	52,674	42,887	43,479
Cashflows from investing activities					
Capital grants receipts		4,224	4,224	3,023	3,023
Investment income receipts		989	308	146	150
Payments made to acquire intangible assets		(4,605)	(4,605)	(1,495)	(1,495)
Payments made to acquire tangible fixed assets		(15,198)	(15,199)	(5,375)	(5,375)
Investment in associate		-	-	(161)	(161)
Investment in subsidiary		-	(2,293)	-	-
Cash placed on deposit	19	-	-	(14,000)	(14,000)
		(14,590)	(17,565)	(17,862)	(17,858)
Cashflows from financing activities					
Interest paid		(2,556)	(2,556)	(2,731)	(2,731)
Repayments of amounts borrowed	22	(3,300)	(3,300)	(3,300)	(3,300)
		(5,856)	(5,856)	(6,031)	(6,031)
Increase in cash and cash equivalents in the year		29,474	29,254	18,994	19,591
Cash and cash equivalents at the beginning of the year	24	86,040	85,378	66,942	65,787
Exchange differences on foreign translation		4	-	104	-
Cash and cash equivalents at the end of the year	24	115,518	114,632	86,040	85,378

Statement of principal accounting policies

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 14-22. 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 Covid-19, 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. 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 and contracted out of the State Second Pension (S2P). Each fund is 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.

Annual performance-based incentive scheme

The University operates an annual performance based-incentive scheme for the University Executive and Service Directors including the Vice-Chancellor and Chief Executive. An expense is recognised in the Statement of Comprehensive Income and Expenditure when the University has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

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 SOCIE.

Intangible assets

Software and related costs (excluding any feasibility costs) are held at cost less accumulated depreciation 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.

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.

Derivatives

Derivatives are held on the Balance Sheet at fair value. The University has adopted and complied with the requirements of hedge accounting and as a result movements in fair value of hedging financial instruments are recorded within Other Comprehensive Income, through the hedging reserve.

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, the hedging reserve and the unrestricted non-controlling interest's share of reserves. The hedging reserve records the fair value movements of the hedged financial instrument. 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 2021/22 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

For the Year Ended 31 July 2022

1. TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full time home and EU students	170,288	168,848	175,913	174,683
Part time home and EU students	10,192	9,655	7,608	7,163
International students	65,350	41,214	50,589	33,394
Short courses	4,843	4,843	4,408	4,408
Nurse education training	227	227	205	205
Other fees	2,293	2,293	1,136	1,136
	253,193	227,080	239,859	220,989

2. FUNDING BODY GRANTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recurrent grants				
Office for Students	10,069	10,068	11,483	11,483
Research England	8,929	8,929	7,787	7,787
National College for Teaching and Leadership	555	555	651	651
Capital grants	4,224	4,224	3,218	3,218
Specific grants				
Higher Education Innovation Fund	1,095	1,095	1,071	1,071
Other	-	-	-	-
	24,872	24,871	24,210	24,210

3. GRANT AND FEE INCOME

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant income from the Office for Students	14,291	14,291	13,936	13,936
Grant income from other bodies	10,580	10,580	10,274	10,274
Fee income for taught awards	244,248	218,134	232,834	213,964
Fee income for research awards	1,304	1,304	1,173	1,173
Fee income for non-qualifying courses	7,641	7,641	5,852	5,852
	278,064	251,950	264,069	245,199

4. RESEARCH GRANTS AND CONTRACTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research councils	5,284	5,284	3,827	3,827
Research charities	2,159	2,159	1,708	1,708
Government (UK and overseas)	8,979	8,979	3,477	3,477
Industry and commerce	677	677	468	468
Other	2,793	2,793	2,855	2,855
	19,892	19,892	12,335	12,335

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 £22,878k (2021: £15,302k). 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 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	12,212	12,211	8,279	8,279
Collaborative ventures	7,267	10,829	9,325	10,208
Other academic income	1,122	1,122	1,256	1,256
Rent and rates	1,399	1,484	1,295	1,380
Sports membership	841	841	194	194
IT helpline	1,454	1,454	1,418	1,418
Coronavirus Job Retention Scheme	-	-	318	318
Other	5,999	6,858	5,302	4,817
	30,294	34,799	27,387	27,870

6. INVESTMENT INCOME

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income	1,009	384	120	123

7. DONATIONS AND ENDOWMENTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Donations with restrictions	158	158	217	217
Unrestricted Donations	38	38	6	6
	196	196	223	223

8. STAFF COSTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Salaries	135,897	136,085	130,175	129,981
Social security costs	15,101	15,020	13,840	13,770
Other pension costs (note 28)	40,206	40,212	38,597	38,568
	191,204	191,317	182,612	182,320
Exceptional pension (credit) / (note 28)	6,178	6,178	(543)	(543)
	197,382	197,495	182,069	181,777

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

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
USS	6,178	6,178	(543)	(543)
	6,178	6,178	(543)	(543)

USS

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 to 31 March 2024 at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. This led to an exceptional debit of £6,178k in the Statement of Comprehensive Income and Expenditure.

	Consolidated	Consolidated
	2022	2021
	Staff FTE	Staff FTE
Average staff numbers by major category (expressed as Full Time Equivalents (FTE))		
Academic	1,515	1,506
Academic support	192	168
Student support	427	408
Estates and accommodation	253	252
Administration and central services	621	560
	3,008	2,894

Other disclosures required by the OfS Accounts Direction are included within the Annual Remuneration Statement on pages 35-39 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 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic faculties	129,953	126,536	125,058	120,906
Academic services	51,989	49,811	40,976	39,293
Administration	70,880	61,448	64,331	57,738
Premises	35,294	29,241	41,407	35,116
Residences, catering and conferences	5,552	5,552	2,667	2,667
Research grants and contracts	17,080	17,080	10,467	10,467
Other expenses	18,307	18,307	16,726	16,726
	329,055	307,975	301,632	282,913

Other operating expenses include

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
External auditor's remuneration in respect of audit services for the current year	174	118	94	74
External auditor's remuneration in respect of other assurance services	12	12	20	17
Operating lease rentals:				
Land and buildings	3,039	3,039	2,754	2,754
Plant and equipment	107	107	430	430

10. ACCESS & PARTICIPATION EXPENDITURE

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000		Consolidated £'000	
Access investment	3,501		3,150	
Financial support provided to students	1,392		1,883	
Support for disabled students	839		848	
Research and evaluation of access and participation activities	50		48	
	5,782		5,929	
Planned Spend per Access & Participation Plan	5,200		5,530	

Overall Access & Participation expenditure was £582k higher than the original planned spend as per the University's **Access & Participation plan**.

The above figures include staffing costs of £2,600k (2021: £2,389k), which are included within the overall staff costs figure in note 8.

Expenditure was generally at a similar level to the previous year, with the exception of financial support provided to students which declined primarily as a result of reduced hardship funding following a year of strong support in 20/21 linked to the pandemic and also due to a roll out of historic scholarship schemes.

11. INTEREST AND OTHER FINANCE COSTS

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Interest on bank and other loans	2,532	2,532	2,674	2,674
Interest on LGPS defined benefit scheme	3,640	3,640	3,530	3,530
Interest on USS deficit recovery plan	52	52	45	45
Interest on enhanced pension scheme	48	48	43	43
	6,272	6,272	6,292	6,292

12. TAXATION

Recognised in the statement of comprehensive income

Current tax

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Current tax expense	399	-	(82)	-
Foreign tax	225	225	172	172
	624	225	90	172

Factors affecting the tax charge

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

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Surplus / (deficit) before taxation	401	(753)	2,502	2,837
UK corporation tax at 19% (2021: 19%)	76	-	475	539
Effect of:				
Surplus / (deficit) falling within charitable exemption	323	-	(328)	(310)
Effects of foreign tax rates	225	225	(57)	(57)
	624	225	90	172

13. INVESTMENTS IN SUBSIDIARIES

The following companies are subsidiaries of the University:

Company	Country of registration	Activity	Issued share capital	As at 31 July 2022	As at 31 July 2021
				£	£
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)	2,321,736	890
				2,322,242	1,396

On 4 May 2022, the University's loan to Northumbria University Amsterdam B.V was converted into an equivalent equity amount, on the date of conversion the loan balance stood at £1,946,923. Additional equity contributions totalling £346,300 were made following the loan conversion.

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

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

Pandon Building, Camden Street, NE2 1XE

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

Herikerbergweg 88; 1101 CM, Amsterdam; The Netherlands

14. INVESTMENTS IN JOINT VENTURES

Company	Country of registration	Activity	Issued share capital	£
BIM Academy (Enterprises) Limited	England & Wales	Joint Venture to supply 3D modelling to building industry	50 £1 Ordinary Shares (50.0% holding)	50
				50

The group's share of this joint venture's results have not been included in the financial statements on grounds of materiality. A dividend of £20k was received from BIM Academy (Enterprises) Limited on 21 February 2022, this has been included within investment income in the University's Statement of Comprehensive Income and Expenditure.

15. INVESTMENTS IN ASSOCIATES

Company	Country of registration	Activity	Issued share capital	£
PulmobioMed Limited	England & Wales	Development and Commercialisation of Intellectual Property Rights	3,400 £0.01 Ordinary Shares (34.0% holding)	34
			160,000,000 £0.01 Convertible Loan Notes	160,000
				160,034

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

16. INTANGIBLE ASSETS

Consolidated and University			
	Software	Software assets under development	Total
	£'000	£'000	£'000
Cost			
At 1 August 2020	17,756	1,202	18,958
Additions in the year	-	4,605	4,605
Transfer	291	(291)	-
Disposals	(2,562)	-	(2,562)
At 31 July 2022	15,485	5,516	21,001
Amortisation			
At 1 August 2021	14,920	-	14,920
Charge for the year	2,296	-	2,296
Disposals	(2,562)	-	(2,562)
At 31 July 2022	14,654	-	14,654
Net book value at 31 July 2022	831	5,516	6,347
Net book value at 31 July 2021	2,836	1,202	4,037

During the year, an exercise was undertaken to identify intangible fixed assets with a nil NBV which were no longer in use by the University. As a result, £2,563k of cost and accumulated depreciation was written off as shown above. This had no impact on the carrying amount of intangible fixed assets.

17. TANGIBLE FIXED ASSETS

	Consolidated and University					Total £'000
	Freehold land and buildings £'000	Long leasehold buildings £'000	Short leasehold improvements £'000	Equipment £'000	Assets under construction £'000	
Cost						
At 1 August 2021	380,533	1,576	547	98,960	1,366	482,982
Additions	177	-	-	4,036	10,985	15,198
Transfers	4,676	-	-	2,304	(6,980)	-
Disposals	(50)	-	-	(40,671)	-	(40,721)
At 31 July 2022	385,336	1,576	547	64,629	5,370	457,459
Depreciation						
At 1 August 2021	81,472	459	269	90,225	-	172,425
Charge for the year	11,299	58	45	4,892	-	16,294
Disposals	(50)	-	-	(40,671)	-	(40,721)
At 31 July 2022	92,721	517	314	54,446	-	147,998
Net book value at 31 July 2022	292,615	1,059	233	10,183	5,370	309,460
Net book value at 31 July 2021	299,061	1,117	278	8,735	1,366	310,537

During the year, an exercise was undertaken to identify tangible fixed assets with a nil NBV which were no longer in use by the University. As a result, £40,721k of cost and accumulated depreciation was written off as shown above. This had no impact on the carrying amount of tangible fixed assets.

18. TRADE AND OTHER RECEIVABLES

	As at 31 July 2022		As at 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year				
Trade receivables	17,891	9,863	18,488	10,202
Amounts due from subsidiary undertakings	-	2,509	-	3,769
Prepayments and accrued income	18,956	18,669	15,225	15,165
Other receivables	661	644	860	857
Amounts due from minority interest	18,845	-	12,483	-
	56,353	31,685	47,056	29,993

19. CURRENT INVESTMENTS

	As at 31 July 2022		As at 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term cash deposits	14,000	14,000	14,000	14,000

Deposits are held with banks licensed by the Financial Conduct Authority. The interest rates for these deposits are variable and the term is fixed for less than one year at the balance sheet date.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 1.15% (2021: 0.30%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 95 days (2021: 95 Days). The fair value of these deposits was not materially different from the book value.

20. CONTINGENT ASSET

In August 2020 the University suffered a cyber incident, the University had cyber insurance in place to cover against losses suffered and as such a claim has been made. The University is confident that a settlement will be reached, however, at the balance sheet date the amount remains unquantifiable.

21. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	As at 31 July 2022		As at 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	3,300	3,300	3,300	3,300
Unsecured loans	106	106	106	106
Trade payables	6,763	6,637	5,972	5,936
Amounts owed to subsidiaries	-	1,146	-	803
Social security and other taxes payable	4,216	3,812	3,472	3,472
Accruals and deferred income	89,375	65,529	65,442	51,375
Other payables	557	502	5,750	674
	104,317	81,032	84,042	65,666

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 2022		As at 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Donations	-	-	86	86
Research grants received on account	8,251	8,251	9,444	9,444
Grant income	141	141	215	215
Other income	51,350	31,794	34,250	22,462
	59,742	40,186	43,995	32,206

22. CREDITORS – AMOUNTS FALLING DUE AFTER ONE YEAR

	As at 31 July 2022		As at 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Fixed rate hedging instruments	8,279	8,279	17,528	17,528
Secured loans	47,125	47,125	50,425	50,425
	55,404	55,404	67,953	67,953

Analysis of secured and unsecured loans.

Analysis of secured and unsecured loans

	As at 31 July 2022		As at 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Due within one year or on demand	3,406	3,406	3,406	3,406
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	33,925	33,925	37,225	37,225
Due after more than one year	47,125	47,125	50,425	50,425
Total secured and unsecured loans	50,531	50,531	53,831	53,831
Secured loans repayable by 2037	50,425	50,425	53,725	53,725
Unsecured loans	106	106	106	106
Total secured and unsecured loans	50,531	50,531	53,831	53,831

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%	26,522
Fixed rate hedge	1 August 2012	1 August 2035	4.81%	19,353
Variable rate	4 May 2022	31 July 2022	0.44%	4,550
Salix Finance				
Interest free	1 October 2015		0.00%	106
Total secured and unsecured loans				50,531

The secured Barclays loan is a single indebtedness though it is priced across three tranches as shown in the above table. This loan is secured on certain freehold property assets. It is payable in equal quarterly instalments through to the final instalment payable in August 2037. At 1 November 2021, and as required for all sterling commercial loans, the University's Barclays loan was transition from a LIBOR (London Interbank Offered Rate) based loan to a SONIA (Sterling Overnight Averaged Index) or Compounded Rate loan, the transition is neutral for the University (and the Bank).

At 31 July 2022 the aggregate fair value of the Barclays' hedge agreements was a liability of £8,279k (2021: liability of £17,528k). These fair values are included in the financial statements as fixed rate hedging instruments under 'Creditors - amounts falling due within one year' and 'Creditors - amounts falling due after more than one year'. The decrease in the liability has been recognised in equity through the Hedging Reserve with hedge accounting having been applied.

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

23. PROVISIONS

Consolidated and University	1. Obligation to fund deficit on USS Pension	2. Pension enhancements on termination	3. Defined benefit obligations	Total pensions provisions
	£'000	£'000	£'000	£'000
At 1 August 2021	5,643	2,846	217,170	225,659
Utilised in year	(296)	(508)	(152,947)	(153,751)
Additions in year	6,497	48	-	6,545
At 31 July 2022	11,844	2,386	64,223	78,453

Consolidated and University	4. Leasehold dilapidation	5. Overseas tax uncertainties	Total other provisions
	£'000	£'000	£'000
At 1 August 2021	873	1,322	2,195
Utilised in year	-	(596)	(596)
Additions in year	200	-	200
At 31 July 2022	1,073	726	1,799

1. The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 28.

Consolidated and University		
	Year Ended 31 July 2022	Year Ended 31 July 2021
Discount rate	3.33%	0.89%
Salary growth	2.50%	2.50%

- 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.
- The defined benefit relates to the University's participation in the TWPF which provides defined pension benefits to non-academic staff. The scheme is regulated under the requirements of the LGPS. Details are included in note 28.
- This provision represents an estimate of the costs incurred to date for work that will be required to be carried out in order to restore a leasehold property to its original state on exiting the lease.
- This amount is being provided for uncertain tax positions relating to a number of the University's activities overseas. It is expected to be utilised over the next year.

24. CASH AND CASH EQUIVALENTS	As at 1 August 2021 £'000	Cash flows £'000	As at 31 July 2022 £'000
Consolidated			
Cash and cash equivalents	86,040	29,478	115,518
University			
Cash and cash equivalents	85,378	29,254	114,632

The consolidated group and university also held £14,000k (2021: £14,000k) in short-term cash deposits at the year end (note 19).

25. CAPITAL AND OTHER COMMITMENTS

	Consolidated and University	
	As at 31 July 2022 £'000	As at 31 July 2021 £'000
Capital commitments contracted for but not provided for	4,860	2,999

26. LEASE OBLIGATIONS

	Land and buildings £'000	Plant and other machinery £'000	As at 31 July 2022 Total £'000	Land and buildings £'000	Plant and other machinery £'000	As at 31 July 2021 Total £'000
Future minimum lease payments due:						
Not later than one year	3,100	-	3,100	3,039	107	3,146
Later than one year, not later than five years	13,032	-	13,032	12,776	-	12,776
Later than five years	6,914	-	6,914	10,269	-	10,269
Total lease payments due	23,046	-	23,046	26,084	107	26,191

27. 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
BIM Academy (Enterprises) Limited ¹	2022	6	7	-	7
	2021	56	14	-	-
The Open University ²	2022	-	10	-	-
	2021	-	37	-	-
Ryder Architecture Limited ³	2022	6	11	1	1
	2021	13	1	1	-
QAHE (NU) Limited⁴	2022	4,135	122	37,320	19,495
	2021	2,162	-	8,990	-
University of Northumbria Students' Union ⁵	2022	1,217	2,799	1	104
	2021	1,201	2,793	-	1
Kingston Park Primary School ⁶	2022	-	5	-	-
	2021	-	-	-	-
Tees Valley Combined Authority ⁷	2022	7	-	-	-
	2021	-	-	-	-
Tyne & Wear Pension Fund⁸	2022	-	11,279	-	48
	2021	-	9,406	-	36
Student Loans Company⁹	2022	152,843	12	-	1,175
	2021	155,398	13	-	181

1. BIM Academy (Enterprises) Limited is a joint venture to supply 3D modelling to the building industry. Its results are not consolidated within these accounts and therefore transactions have been disclosed here. The expenditure incurred relates to consultancy services received and income relates to tuition fees.
2. Dr Roberta Blackman-Woods is the Chair of the Board of Governors, her husband is the Vice Chancellor of The Open University. As such she is in a position to exert significant influence over both parties. The expenditure incurred represent partnership payments in relation to grant receipts.
3. Ryder Architecture Limited is a related party to the University as the joint venture partner for BIM Academy (Enterprises) Limited. The sales represent education services provided by the University and the expenditure represents architectural services provided to the University.
4. 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
5. 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.
6. Daniel Monk (Retired September 2021) is a board member at the University and is the vice chair on the Board of Governors at Kingston Park Primary School. As such he is in a position to exert significant influence over both parties. The expenditure represents fees paid in return for education placements for students.
7. Peter Judge is a board member at the University and is part of the key management personnel at Tees Valley Combined Authority. As such he is in a position to exert significant influence over both parties. The income received is in relation to research activity.

8. Tyne & Wear Pension Fund is the local fund of the University's Local Government Pension Scheme (LGPS). As per FRS102 section 33.2(b)(v) the University is required to disclose as a related party.
9. As detailed in the Remuneration Statement on page 35, Andrew Wathey (Vice-Chancellor and Chief Executive) is a Non-Executive Director of the Board of the Student Loans Company (SLC). As such, he is in a position to exert significant influence over both parties.

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

28. PENSION SCHEMES

The four major 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 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
TPS	14,734	14,734	14,260	14,260
USS	2,694	2,694	2,970	2,970
LGPS	20,960	20,960	20,410	20,410
UCRSS	1,223	1,223	928	928
Others	-	-	29	-
	39,611	39,611	38,597	38,568

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

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
USS	6,178	6,178	(543)	(543)
	6,178	6,178	(543)	(543)

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 2022	Year Ended 31 July 2021
	£'000	£'000
LGPS	170,587	55,310
Enhanced Pension Payments – LGPS and TPS	268	62
	170,855	55,372

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

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
LGPS charge	20,960	20,960	20,410	20,410
LGPS employer contributions	(6,993)	(6,993)	(6,760)	(6,760)
	13,967	13,967	13,650	13,650

The Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including universities. Membership is automatic for teachers and lecturers at eligible institutions. 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 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 – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan.

Valuation of the TPS

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

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

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 £14,734k (2021: £14,260k).

Universities Superannuation Scheme (USS)

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. 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 wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

The total cost charged to the profit and loss account is £8,872k (2021: £2,427k)

Deficit recovery contributions due within one year for the institution are £814k (2021: £734k)

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (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: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males		
Currently aged 65	23.9	24.7
Currently aged 45	25.9	26.1
Females		
Currently aged 65	25.5	26.7
Currently aged 45	27.3	27.9

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

	2022	2021
Discount rate	3.33%	0.89%
Pensionable salary growth rate	2.5%	2.5%

The pension costs paid to USS in the year amounted to £2,694k (2021: £2,816k).

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 during the year 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. However, the University is no longer required to make capital contributions in respect of the past service deficiency, and therefore the overall percentage contribution has decreased. Employer contributions including capital repayments of £nil (2021: £nil) and strain on fund payments were £6,960k (2021: £6,760k). Under FRS 102, the comparable service cost was £20,960k (2021: £20,410k), including the past service cost of £nil (2021: £nil).

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

Valuation of the LGPS

The last full actuarial valuation was at 31 March 2019.

Expected employer contributions to the Fund for the accounting period to 31 July 2023 are estimated to be £7,375k.

In addition, strain on fund contributions may be required to meet the costs of early retirements.

Principal actuarial assumptions	As at 31 July 2022	As at 31 July 2021
	%	%
Discount rate	3.4	1.7
CPI inflation	2.6	2.6
Pension increases	2.6	2.6
Pension accounts revaluation rate	2.6	2.6
Salary increases	4.1	4.1

At 31 July 2022, the Fund Actuary has changed their standard methodology for calculating the discount rate and their Single Agency curve is now based on bonds with at least one of two agencies rating them as AA as opposed to one of three agencies rating them as AA. However, there is no change in the underlying curve construction and the impact of the change is circa 2 basis points reduction in the discount rate.

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 2019 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 2022	As at 31 July 2021
Males		
Currently aged 65	21.8	21.9
Currently aged 45	23.5	23.6
Females		
Currently aged 65	25.0	25.1
Currently aged 45	26.7	26.9

Asset allocation	As at 31 July 2022	As at 31 July 2021
	%	%
Equities	53.8	56.3
Property	11.1	7.9
Government bonds	1.6	2.0
Corporate bonds	18.6	19.6
Multi Asset Credit	4.4	-
Cash	1.8	4.0
Other	8.7	10.2
Total	100.0	100.0

Reconciliation of funded status to balance sheet	As at 31 July 2022	As at 31 July 2021
	£'000	£'000
Fair value of fund assets	354,147	348,600
Present value of defined benefit obligation	(418,370)	(565,770)
Deficit in the scheme recorded in provisions (note 22)	(64,223)	(217,170)

The split in the liabilities at the last valuation between the various categories of members is as follows:

Active members	41%
----------------	-----

Deferred pensioners	23%
Pensioners	36%

Amounts recognised in statement of comprehensive income and expenditure	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Operating cost		
Current service cost	20,960	20,390
Past service cost	-	-
Curtailment cost	-	20
	20,960	20,410
Financing cost		
Net interest cost (note 11)	3,640	3,530
Expense recognised in statement of comprehensive income	24,600	23,940
Allowance for administration expenses included in current service costs	120	160

Amounts recognised in other comprehensive (expense) / income	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
(Losses)/Gain on assets	187	47,180
Experience losses on liabilities	170,400	8,130
Total amount recognised in other comprehensive (expense) / income	170,587	55,310

Movement in deficit	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Opening deficit	(217,170)	(255,300)
Current service cost	(20,960)	(20,390)
Past service cost	-	-
Curtailment cost	-	(20)
Employer contributions	6,960	6,760
Net interest cost	(3,640)	(3,530)
Actuarial (losses) / gains	170,587	55,310
	(64,223)	(217,170)

Changes to the present value of the defined benefit obligation	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Opening defined benefit obligation	565,770	552,530
Current service cost	20,960	20,390
Past service cost	-	-
Curtailment cost	-	20
Interest expense on defined benefit obligation	9,560	7,690
Actuarial losses / (gains) on liabilities	(170,400)	(8,130)
Contributions by participants	2,630	2,480
Net benefits paid out	(10,150)	(9,210)
	418,370	565,770

Changes to the fair value of assets	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Opening fair value of assets	348,600	297,230
Contributions by employer	6,960	6,760
Interest income on assets	5,920	4,160
Actuarial (losses)/ gains on assets	187	47,180
Contributions by participants	2,630	2,480
Net benefits paid out	(10,150)	(9,210)
	354,147	348,600

Actual return on assets	Year Ended 31 July 2022	Year Ended 31 July 2021
	£'000	£'000
Interest income on assets	5,920	4,160
Actuarial gain/(loss) on assets	187	47,180
	6,107	51,340

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 2022 and on the projected service cost for the year ending 31 July 2023 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)	409,170	418,370	427,990
% change in present value of total obligation	-2.2%		2.3%
Projected service cost (£'000)	10,920	11,370	11,840
Approximate % change in projected service cost	-4.0%		4.1%
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)	419,630	418,370	417,110
% change in present value of total obligation	0.3%		-0.3%
Projected service cost (£'000)	11,370	11,370	11,370
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)	426,740	418,370	410,420
% change in present value of total obligation	2.0%		-1.9%
Projected service cost (£'000)	11,840	11,370	10,920
Approximate % change in projected service cost	4.1%		-4.0%
Post retirement mortality assumption			
Adjustment to mortality age rating assumption	+0.1% p.a.	Base figure	-0.1% p.a.
Present value of total obligation (£'000)	430,920	418,370	405,820
% change in present value of total obligation	3.0%		-3.0%
Projected service cost (£'000)	11,790	11,370	10,950
Approximate % change in projected service cost	3.7%		-3.7%

There has been a change in approach in allowing for inflation experience at 31 July 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The Defined Benefit Obligation at 31 July 2022 includes allowance for emerging inflation up to July 2022, which has increased the DBO at 31 July 2022 by £19.66m.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

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 £1,223k (2021: £927k) was recognised as an expense in income and expenditure in respect of the scheme.

29. 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 2022, 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 2022, 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 2022, the sterling equivalent of all euro bank balances was £299k (2021: £2,880k). The sterling equivalent of all dollar balances at this date was £70k (2021: £129k).

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 21) with a total amount outstanding of £50,425k (2021: £53,831k). 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 2022, 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, underpinned by reference to discounted future cash flows.

	Financial liabilities					
	As at 31 July 2022			As at 31 July 2021		
	Current	Non-current	Total	Current	Non-current	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Interest rate swaps						
Designated as cash flow hedges	-	(8,279)	(8,279)	-	(17,528)	(17,528)

Hedge accounting

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur:

	As at 31 July 2022					
	Carrying amount	Expected cash flows	1 year or less	1 to 2 years	2 to 5 years	5 years and over
	£'000	£'000	£'000	£'000	£'000	£'000
Interest rate swaps						
Liabilities	(8,279)	(8,279)	-	-	-	(8,279)

	As at 31 July 2021					
	Carrying amount	Expected cash flows	1 year or less	1 to 2 years	2 to 5 years	5 Years and over
	£'000	£'000	£'000	£'000	£'000	£'000
Interest rate swaps						
Liabilities	(17,528)	(17,528)	-	-	-	(17,528)

The group uses hedge accounting in line with FRS 102 section 12 in respect of the interest rate swap on the secured bank loans.

This interest rate swap is to fix interest rates on the University's secured bank loans, by tranche, as outlined in note 21. 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 £8,279k (2021: liability of £17,528k).

The amount of the change in fair value of the hedging instrument recognised in other comprehensive income for the period is a decrease of £9,249k in the liability (2021: £4,145k decrease in the liability).

30. ALTERNATIVE PERFORMANCE MEASURES

A reconciliation of the Consolidated Alternative Performance Measures (APMs) used within the operating and financial review on pages **14-22** 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

	Note	Consolidated	
		Year Ended 31 July 2022	Year Ended 31 July 2021
		£'000	£'000
Surplus before other gains (operating surplus)		401	2,502
Interest payable	11	6,272	6,292
Investment income	6	1,009	120
Depreciation of tangible fixed assets	17	16,294	16,970
Amortisation of intangible assets	16	2,317	3,456
Capital grants income	2	(4,224)	(3,218)
Pension adjustments	28	13,967	13,650
USS pension provision movements	23	6,178	(543)
		42,214	39,229

Adjusted net operating cashflows

	Note	Consolidated	
		Year Ended 31 July 2022	Year Ended 31 July 2021
		£'000	£'000
Net operating cashflows		49,920	42,887
Capital grants receipts		4,224	3,218
		54,144	46,105

Cash and investments

	Note	Consolidated	
		Year Ended 31 July 2022	Year Ended 31 July 2021
		£'000	£'000
Cash and cash equivalents	24	115,518	86,040
Current Investments	19	14,000	14,000
		129,518	100,040

31. 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		Note	Consolidated	
			Year Ended 31 July 2022	Year Ended 31 July 2021
Expendable Net Assets			£'000	£'000
Balance Sheet - Net assets	Net assets without donor restrictions		261,477	81,986
Balance Sheet - Net assets	Net assets with donor restrictions		394	-
Notes to the financial statements - Trade and other receivables	Secured and Unsecured related party receivable	18	-	-
Notes to the financial statements - Trade and other receivables	Unsecured related party receivable	18	-	-
Balance Sheet - Tangible fixed assets	Property, plant and equipment, net (includes Construction in progress)	17	309,460	310,537
Notes to the financial statements - Tangible fixed assets, net book value minus additions in year.	Property, plant and equipment - pre-implementation	17	294,262	305,391
	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	17	4,213	3,875
Notes to the financial statements - Tangible fixed assets, assets under construction additions	Construction in progress	17	10,985	1,271
	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	16	6,347	4,037
Balance Sheet - Pension provisions	Post-employment and pension liabilities	23	78,453	225,659
Notes to the financial statements - Creditors - amounts falling due after one year, total secured and unsecured loans	Long-term debt - for long term purposes	22	50,531	53,831

Primary Reserve Ratio

Expendable Net Assets cont.

Primary Reserve Ratio			Consolidated	
Expendable Net Assets cont.		Note	Year Ended 31 July 2022	Year Ended 31 July 2021
			£'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 pre-implementation	22	50,531	53,831
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	22	-	-
Notes to the financial statements - Creditors - amounts falling due after one year, new loans in year	Line of Credit for Construction in process	22	-	-
	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		329,055	301,632
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)		181,113	59,637
Statement of comprehensive income and expenditure - Investment income	Net investment gains/ (losses)	6	1,009	120
	Pension-related changes other than net periodic costs		-	-

Equity Ratio**Modified Net Assets**

Equity Ratio		Consolidated	
Modified Net Assets	Note	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Statement of Financial Position - Net assets without donor restrictions		261,477	81,986
Statement of Financial Position- total Net assets with donor restrictions		394	-
	Intangible assets - goodwill	-	-
Statement of Financial Position - Related party receivable and Related party note disclosure	18		
Statement of Financial Position - Related party receivable and Related party note disclosure	18	-	-

Modified Assets

Balance Sheet - Total assets	Total Assets		501,844	461,836
	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	18	-	-
Notes to the financial statements - Trade and other receivables	Unsecured related party receivable	18	-	-

Net Income Ratio

Statement of comprehensive income and expenditure - Total comprehensive income for the year	Change in Net Assets Without Donor Restrictions		179,784	61,929
Statement of comprehensive income and expenditure - Total income	Total Revenue and Gains		328,447	304,134



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