



Integrated Annual
Report 2021-2022

From Newcastle.
For the world.

Contents

Our University	
About Newcastle University	4
A conversation with...	6
Our Vision and Strategy	8
Our Vision and Strategy	8
Our value creation model	12
Understanding our risks	14
Sustainable Development Goals	16
Strategic and operational review	18
Education for life	18
Research for discovery and impact	20
Engagement and place	24
Global	26
Our students	28
Our people	30
Physical and digital infrastructure	32
Environmental sustainability	34
Financial review	36
Governance	40
Charity status and Public Benefit Statement	40
Corporate governance overview	42
Statement of Council Responsibilities	46
Statement of Internal Controls	48
Remuneration report	50
Financial Statements	56
Independent Auditor's Report to Council	56
Statement of Principal Accounting Policies	59
Statement of Comprehensive Income	64
Statement of Changes in Reserves	65
Statement of Financial Position	66
Cash Flow Statement	67
Notes to the Financial Statements	68

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Details included are correct at the time of publication (December 2022)



This International Integrated Annual Report has been developed in consultation with the Executive Board and Council. Council acknowledges its overall responsibility for the accuracy and integrity of the Report's contents.

The Report is informed by the International Integrated Reporting framework developed by the Value Reporting Foundation (VRF). This framework has been adopted across the globe to make more effective use of resources, improve decisions and enhance accountability, stewardship, transparency and trust. We use the framework to embed integrated thinking, decision-making and improve reporting. The report provides a concise and balanced overview of how our strategic objectives, governance, position and performance creates value for our key stakeholders, considering the external environment and other factors which may (positively or negatively) impact the University's ability to create value, and thereby deliver our Vision and Strategy.

This Report has been assessed against the January 2021 revision of the International Integrated Reporting Framework.

About Newcastle University

Newcastle University is one of the UK's great redbrick universities, founded to address the economic, health and social issues of an industrial city.

Newcastle University can trace its origins to a School of Medicine and Surgery, established in Newcastle in 1834, and to the College of Physical Science, later Armstrong College, founded in the city in 1871. These two colleges formed one division of the federal University of Durham, the Durham Colleges forming the other division. The Newcastle Colleges merged to form King's College in 1937 and, in 1963, when the federal University was dissolved, King's College became the University of Newcastle upon Tyne, latterly trading as Newcastle University. We were a founding member of the Russell Group, comprising the UK's leading research-intensive universities.

Today's University is home to over 29,000 students from over 140 countries and offers undergraduate, postgraduate taught and research degrees in over 60 subject areas. We deliver world-leading research,

spanning a wide range of activities with a strategy to address major global societal challenges and we enjoy strong research links with many European and other international universities. Sitting in the heart of Newcastle city centre, with campuses in Malaysia and Singapore, we are one of the largest employers in the North East of England, with over 6,000 colleagues.

Our Vision and Strategy is to be a world-leading university, advancing knowledge, providing creative solutions and solving global problems. The Vision is supported by four core strategies covering:

- Education for Life
- Research for Discovery and Impact
- Engagement and Place
- Global

Strategic leadership of each area is provided by our Deputy Vice-Chancellor and Provost, four 'cross-cutting' Pro-Vice-Chancellors (PVCs) and a number of Deans with university-wide remits. We collaborate with a range of partners on strategic initiatives, helping to extend the University's influence and reinforce our ties with the city, region and beyond. These include Newcastle City Council, North of Tyne Combined Authority, local NHS Trusts, North East Local Enterprise Partnership and partner universities in the North of England.

Delivery of the core academic functions occurs in our three faculties, each led and managed by a PVC:

- Faculty of Humanities and Social Sciences (HaSS)
- Faculty of Medical Sciences (FMS)
- Faculty of Science, Agriculture and Engineering (SAgE)

Each faculty consists of several academic units, typically schools or research institutes, each led and managed by a head or director. The core academic functions and line-management structures combine to form the academic map of the University in which we envisage the faculties as vertical columns, with the core functions as cross-cutting institutional activities.

Interdisciplinary and cross-disciplinary activities are coordinated and supported by the cross-cutting PVCs. The academic enterprise is supported by corporate activities within the Professional Services teams.

1st in the UK **8th in the world**

Newcastle University is recognised as a global leader of sustainable development
(Times Higher Education Impact Rankings 2022)

29,000 students from 140 countries

RANKED 122ND IN THE WORLD
(QS World University Rankings 2023)
up 12 places on last year

GLOBALLY CONNECT 250,000 worldwide community of alumni

3 National Innovation Centres

putting the UK at the forefront of the industries of the future

University of Sanctuary
a place of safety, solidarity and empowerment for all

GLOBAL PRESENCE
with campuses in the UK, Singapore and Malaysia

RANKED 15TH IN THE WORLD
(REF 2021)
in the UK for global research power

RANKED 139TH IN THE WORLD
(Times Higher Education World University Rankings 2023)

3RD in the UK for Diversity and Inclusion
(Whatuni Student Choice Awards 2021)

A conversation with...



Professor Chris Day
Vice-Chancellor and
President



Paul Walker
Chair of Council

Vice-Chancellor and President Professor Chris Day and Chair of Council Paul Walker reflect on the last 12 months and consider the biggest challenges ahead for Newcastle University.

Taking up their posts within three months of each other back in 2017, Chris and Paul discuss the change in higher education post-pandemic, increasing government scrutiny on universities and the challenges facing our students.

What have been the highlights of the past 12 months?

Chris: For me, it's two things. Firstly, our ranking successes. They aren't the be all and end all, but they are an external validation of what we do and an endorsement of the positive impact that every colleague and student has in making Newcastle University the great place that it is today. We have achieved our highest position in Times Higher Education (THE) and QS World Rankings. Being first in the UK and eighth in the world in the THE Impact Rankings for our work against the Sustainable Development Goals was a particular highlight. This is something we have been focusing on for almost all of my time as Vice-Chancellor and to be recognised by our international peers as being in the top 10 in the world for climate action, water security and the work we do with our partners in the local city is just a fantastic achievement.

Secondly, it's having everyone back on campus again, bumping into colleagues and students when I'm getting a sandwich. We are a city-centre university with all the positives and the buzz that brings, and we lost that spontaneity and creativity during the pandemic.

Paul: I agree with Chris. For me, it's seeing the campus come alive again. Seeing our students graduating in their gowns, King's Hall packed to the rafters, and the great day we had for the Chancellor's inauguration. It's why we are here – seeing the students succeed and being able to share that success with family, friends and loved ones.

You've been on this journey together – both five years in – what, for you, has been the biggest change in HE in that time and how has it impacted Newcastle?

Chris: One big change is how heavily regulated we are now than we were before and the interest from the media and government in university business. It's a change from 10 years ago when we were seen as completely autonomous organisations.

And linked to this is the changing role of universities on a regional scale. Our role as anchor institutions in the levelling up agenda and our social responsibility, through outreach, R&D flow to local companies, our partnership and community engagement work.

Paul: It's also the progress that's been made around Equality, Diversity and Inclusion (EDI), Social and Environmental Justice and broader governance. Over the last five years we've laid some strong foundations, and these values are now embedded across the organisation. But our values aren't a project – they're a journey which all of us are on. They have to be part of our DNA and owned by everyone, and I think at Newcastle we can be proud of how far we've come, although there is still a long way to go.

Our values aren't a project – they're a journey which all of us are on.

Paul Walker, Chair of Council

The global HE market is becoming ever more competitive – both in terms of recruitment and research. How does Newcastle retain its place as a world-leading, research-intensive university, attracting the most talented researchers, the brightest students and driving innovation in this challenging marketplace?

Chris: I think it's time to be more ambitious. Newcastle is a great university in a great city with the breadth and depth of expertise in exciting and relevant research areas that are important to our students, to businesses, to government and global society. And importantly, everything we do is underpinned by our values of Social and Environmental Justice and EDI. I think we just need to be a bit bolder about who we are and what we're good at.

Paul: Building on Chris' comments, it's about how we market ourselves.

I remember an academic on our board at Sage Group plc asking us 20 years ago what business we were in. I remember looking at him and thinking 'you've been involved for five years, don't you know?'. But it was the best question I'd ever had because we all wrote down what we thought we were doing, and all came up with something slightly different. And I guess that's what universities are asking today.

The challenge for universities, of course, is that unlike an organisation like Sage Group plc, the brand means something different to the different communities it serves. So the challenge really is how we talk about ourselves to those different audiences.

Few organisations are the same as they were two years ago, both in terms of the way we work and what we value as an organisation. How do you think the pandemic has most changed Newcastle and what have we learnt as an institution?

Chris: I think the biggest change has been around our role in the region. Before the pandemic there had been a lot of thinking and discussion about our role as a civic university but the pandemic put those words into action. Together as a local city we rallied, and our colleagues and students played a major part in this. Now those partnerships are stronger than ever and there's a real collective

effort to drive economic and social recovery across the region. I think those two years also forced us to reflect on the University's culture and take the time to speak to colleagues about what was working well and where they felt change was necessary. For me, this has been really important.

Paul: Newcastle University is definitely more agile now. The pandemic forced us to make quick decisions and quite fundamental changes to the way we teach and learn and I think it's important we retain that. We need to be more comfortable taking risks, more able to move with the times and be action orientated.

Looking ahead what are the biggest challenges/opportunities we face as a sector and how at Newcastle are we preparing for them?

Chris: There's no doubt our biggest challenge is the increasing competition for students and income all wrapped up in a financial model that's no longer fit for purpose. Unless the government increases public spending on universities or we charge students more, it means we are heavily dependent on international students to keep the business running.

But beyond that it's our collective responsibility around some of the big challenges facing society – the mental health crisis, rising cost of living, the climate crisis – and the impact they are having on our university communities. **We need to be more thoughtful in our leadership and creative in the support we offer**, not just through increased investment in student support but also in the modules that we teach and the opportunities that we offer to ensure every Newcastle graduate is equipped to make the most of every opportunity and challenge that life throws in their way.

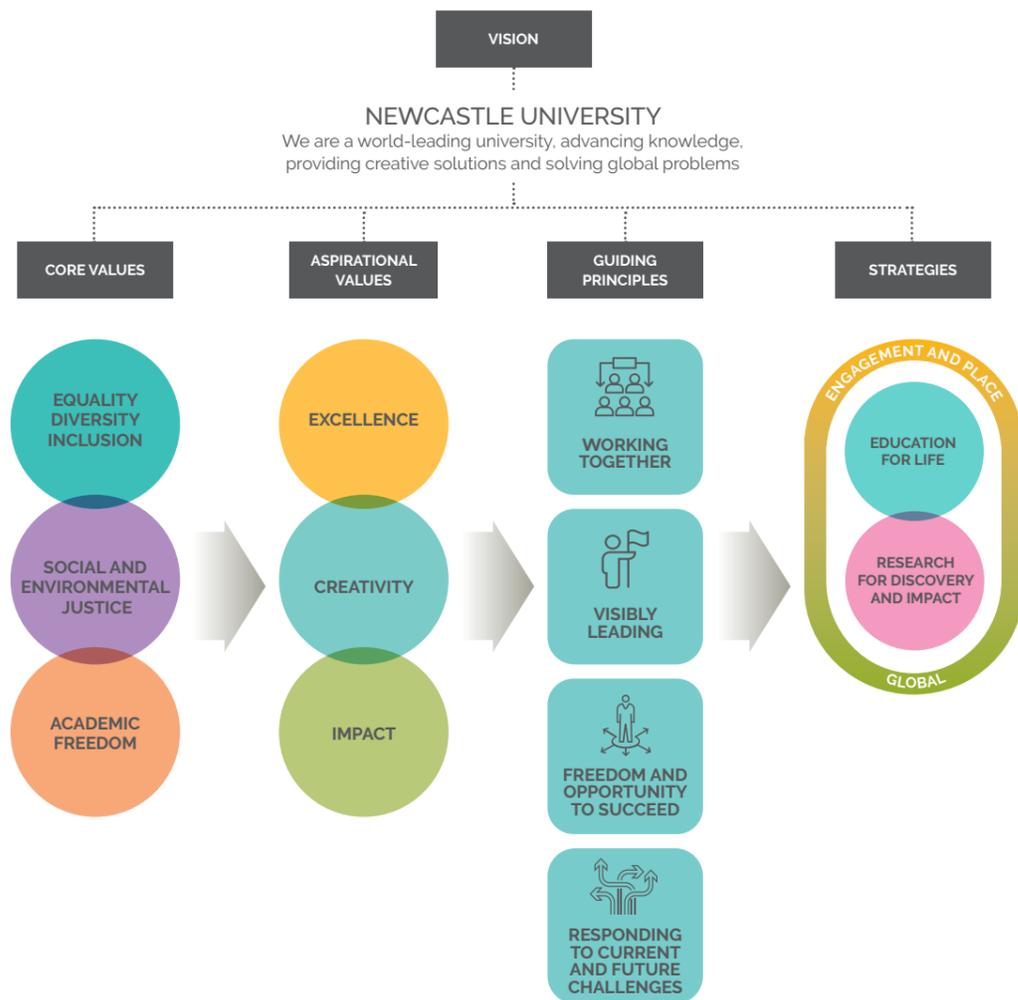
Paul: I know I speak for both of us when I say students are at the heart of everything we do. Chris and I are absolutely focused on this. I know here at Newcastle the teams are really thinking about these challenges, what support will need to be in place and how we take a really caring and proactive approach to ensuring every student is able to partake in student life and get the most fulfilling experience out of it.

Our Vision and Strategy

We exist for the public benefit to advance education, learning and research. Our Vision is to build on this core purpose to address global problems through excellence in education, research and engagement and, in doing so, provide new knowledge and creative solutions that make a positive impact on the society we serve. Our Vision expresses our collective sense of purpose and our aim to work collaboratively to shape brighter futures, grow the economy and champion social and environmental justice.

The University Strategy, developed in 2018 and refreshed in 2022, provides a high-level vision that is based around our core and aspirational values and guiding principles. The strategy is underpinned by four strategic plans, setting out specific aims and initiatives.

The strategic plans are regularly reviewed and refreshed, taking account of key changes in the external environment and the progress we have made with the implementation of our plans.



Core and aspirational values

Newcastle University is known for its longstanding commitments to equality, diversity, inclusion, respect, and environmental and social justice. Our Vision builds on these core values and identifies three aspirational values that inform everything we do, and which guide us as we develop and grow as an institution.

Excellence | Enabling our colleagues to realise their twin ambitions of providing an outstanding educational experience for our students while also leading the way globally in their areas of research expertise.

Creativity | Being creative and innovative to advance knowledge and engage with society to address global problems.

Impact | Working in partnership with governments, industry, the creative and cultural sector, and community groups to identify the current and future challenges faced by society and to provide innovative ideas and solutions that make a difference.

Guiding principles

Our guiding principles have been identified from the key characteristics of our high-performing academic and professional units. They underpin the objectives of each of our core strategies.

Working together | Our aim is to be recognised for effective partnership working; this refers to working together internally – colleagues and students, academic and professional colleagues, across and between disciplinary boundaries and faculties – and externally with our various stakeholders.

Visibly leading | We are recognised globally for a number of strengths including Ageing and Health, One Planet, Data, Cities, and Culture and Creative Arts. In all of our activities our aim is to promote and support these existing strengths while facilitating the development of emerging areas of world-leading education and research.

Freedom and opportunity to succeed | Our people, colleagues and students – past, present and future – are at the heart of our strategy. Our aim is to support their ambitions and allow them to reach their full potential by providing them with environments and opportunities that inspire excellence, creativity and impact.

Responding to current and future challenges | Our priorities in both education and research will respond more proactively to the demand side of the knowledge economy and be guided by the societal challenges facing the world now and in the future.

Core strategies

Underpinning our Vision, we have four interconnected strategies. These cover our core functions of education and research, and the contexts in which we work to improve the economy, health and social wellbeing and cultural richness of the places in which we operate, and to influence globally.

Education for Life | Engaging, challenging and supporting students to discover and fulfil their potential.

Research for Discovery and Impact | Catalysing transformative research within and between disciplines.

Engagement and Place | Improving the economy, health and social wellbeing and cultural richness of the places in which we operate.

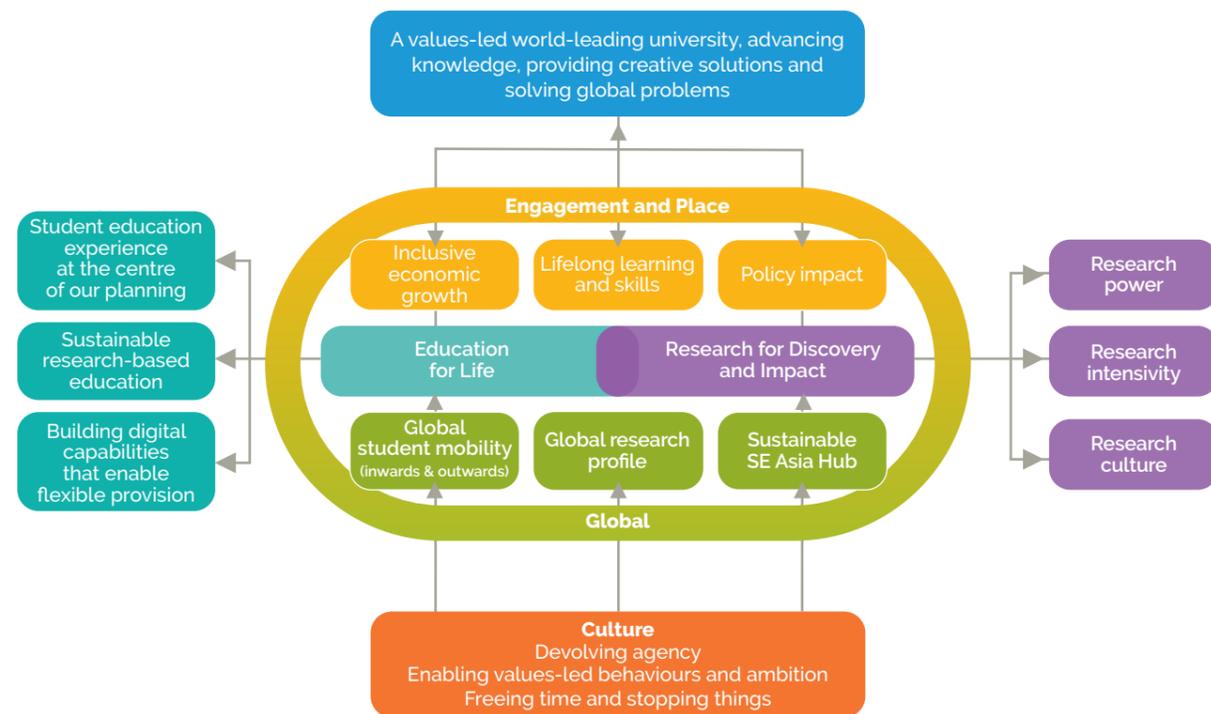
Global | Being a globally inclusive institution.

Our Vision and Strategy *(continued)*

Looking forward, during the 2021-22 academic year Executive Board, Senate and Council agreed on a refreshed set of strategic priorities based on our 2018 Vision and Strategy. These strategic implementation

priorities are being translated into strategic plans across all three faculties tailored to their particular circumstances and give us a clear way forward for the next three to five years aimed at realising our Vision.

Strategy implementation priorities 2022



In the strategic and operational review (pages 18-35), we describe the progress that has been made in 2021-22 against each of our core strategies as well as our university-wide enabling plans. We summarise our progress overall for specific key indicators using a traffic light rating system.

Measuring progress

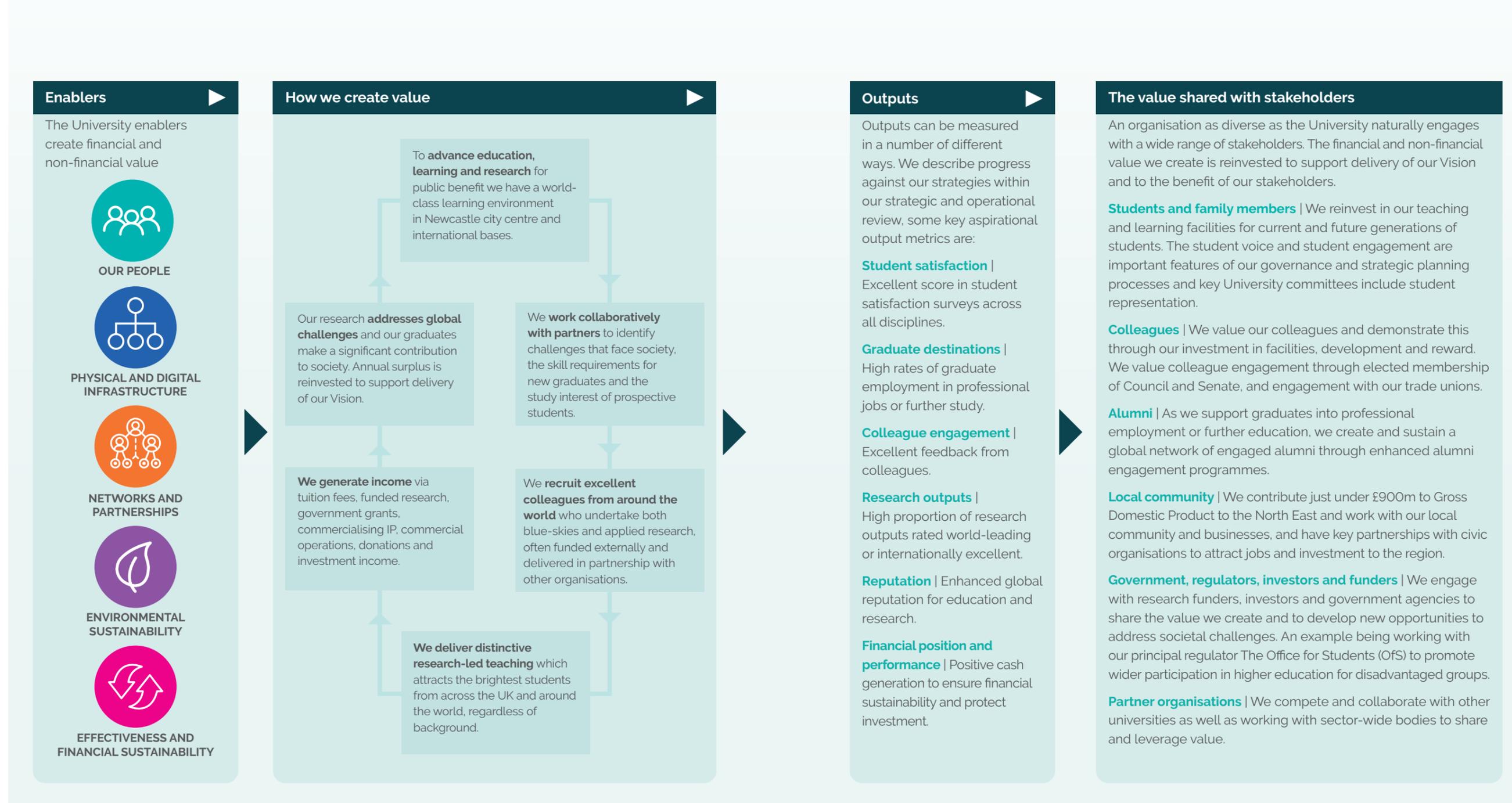
- **Good** – progressing well against our objectives
- **Satisfactory** – broadly on track but some issues to address
- **Medium risk** – some material issues and risks to address
- **High risk** – serious concerns



Newcastle University's award-winning libraries have retained the Customer Services Excellence Award for 24 consecutive years.

Our value creation model

We describe below how we create and sustain value, making a positive impact for our many stakeholders, shaping brighter futures, growing the economy, and championing social and environmental justice. With our overarching aim of becoming a values-led world-leading university, advancing knowledge, providing creative solutions, and solving global problems. Our vision and value creation model is assured by effective governance.



Understanding our risks

The importance of risk management in higher education has increased in recent years. Navigating our way through significant events such as the pandemic, a cyber breach, and economic and political instability has not been easy. The current operating environment is challenging and will continue to be so. Having an effective and proportionate risk management framework has allowed us to steer our way through these events whilst ensuring the achievement of our strategic objectives is not disrupted.

Risk and opportunity often go hand in hand and taking considered risk is part of our normal process. We regard ourselves as 'risk aware' with a risk management process which is proportionate and involves the systematic identification, evaluation and mitigation of risks that threaten our strategic objectives, service delivery and assets. Risk cannot be fully eliminated and the systems and procedures that we have in place allow the risks we face to be identified and understood so they can be better managed in order to reduce the potential impact and likelihood. We have recently started looking at our risk appetite and this will be developed through the coming academic year.

Our colleagues and governing body recognise risk management as an integral part of our activities. Our risk governance arrangements, which are overseen by Council, owned by Executive Board and led by our Risk Manager, seek to ensure that we have visibility and alignment of principal risks and material issues, supported by effective communication and collaboration with key internal and external

stakeholders. Our strategic risk register as at the end of July 2022 contained 20 strategic risks.

On the following page we provide further detail on our high-scoring strategic risks along with our risk mitigations, as well as describing key opportunities for the University.

We also consider opportunities and look to our internal capabilities as well as the external environment to identify and shape these. Further details are provided within the strategic and operational review (pages 18-35), with key areas being:

- focusing on ambitions to grow our international student numbers in support of our strategy
- enhancing our reputation as a high-quality education provider to strengthen our reach in all activities
- driving our ongoing digital and data transformation, and therefore enhancing further the high-quality learning offer available, whilst also providing new and innovative learning offers



▲ ▼ ○ Change in risk (increase/decrease/no change)

○ High-quality academic experience | Stakeholders impacted: Students, Colleagues, Our local community

Our priority is to provide our students with an education for life. Providing an education and broader university experience that is recognised as high quality impacts our ongoing ability to attract students, colleagues and funding. Our recent National Student Survey (NSS) results highlight that we can do better and that is why going forward we will put students at the centre of what we do.

Risks	Mitigations
Further decline in student satisfaction relative to the sector will result in a lack of confidence in our provision.	Clear and achievable action plans resulting from student surveys are produced, implemented and evaluated.
If we do not offer a high-quality and engaging education we risk loss of market share.	Clear and owned Education Strategy. Active management in academic units to ensure effective implementation and to embed a student-centred culture.
Students may not feel the overall experience is what they expected or value for money.	Continual working with students. Discussion around value for money and tuition fees at various University committees.

○ High-quality student experience | Stakeholders impacted: Students, Colleagues

Student life can be stressful, the pressure of adjusting to living independently in a new environment, city or country can be tough and it is clear to understand why some students would struggle. The wellbeing of our students and the quality of the experience they have whilst they are with us continues to be an area of focus. We have made a significant investment into our physical and digital facilities, and are working hard to ensure that our structures are robust and provide the support our students need when they need it. This includes looking at a package of measures to support students with the cost of living.

Risks	Mitigations
Student mental health and wellbeing needs are not supported, and the University fails to respond to mental health issues.	Investment into our student mental health provision, including the adoption of a new model placing wellbeing advisers in schools and training personal tutors allowing us to ensure effective joined-up support.
Insufficient appropriate resources and facilities that support the learning and broader experience.	Programme of investment in teaching and learning facilities including study spaces, student systems, networks and hardware to access blended learning.
Colleagues do not engage with students or act on their feedback.	Analysis of insights provided during the student lifecycle so that we can identify and intervene sooner when we learn about patterns which give cause for concern.

▲ International student recruitment | Stakeholders impacted: Students, Colleagues, Our local community

Whilst we have had a successful year with regard to international student recruitment, we are aware that the operating environment is both competitive and complex. Changes in fees, funding and immigration policy, as well as global economic uncertainty, make the global market difficult. Our student recruitment strategy has been developed to help our ambitions to further increase our market share and look for opportunities that will enable us to grow our international student numbers.

Risks	Mitigations
Failure to achieve the right mix of recruitment and fee levels will impact our long-term financial sustainability.	Clear, approved and owned International Student Recruitment Strategy.
Lack of diversity and exposure to political conflicts created by a failure to attract and recruit students from multiple countries.	Regional recruitment plans across a number of different regions with clearly defined objectives.
Insufficient/ineffective international marketing activity.	Focus on coordinated marketing with campaigns to support the international student journey in place.

○ Our digital infrastructure and cyber security | Stakeholders impacted: Students, Colleagues, Our partners

Our students and colleagues need secure, reliable and performant IT services. The threat of cyber attacks has not gone away and is a continued area of focus for our Executive Board. Digital transformation has been high on the agenda for some time. We know that we need to deliver a digital experience that meets the needs and expectations of our students, colleagues and other stakeholders.

Risks	Mitigations
Improvements in cyber security cannot mitigate all areas of vulnerability completely.	A commitment to investments in our IT governance, cyber security architecture and capability.
Additional governance and cyber security controls may impair the user experience and may lead to some users to attempt to operate outside the scope of the secured IT services.	Encourage more security-conscious and cyber-aware service users.
Investment into our digital infrastructure may not be perceived to enhance student or colleague experience.	Our future campus plans will drive our ongoing digital and data transformation.

Sustainable Development Goals

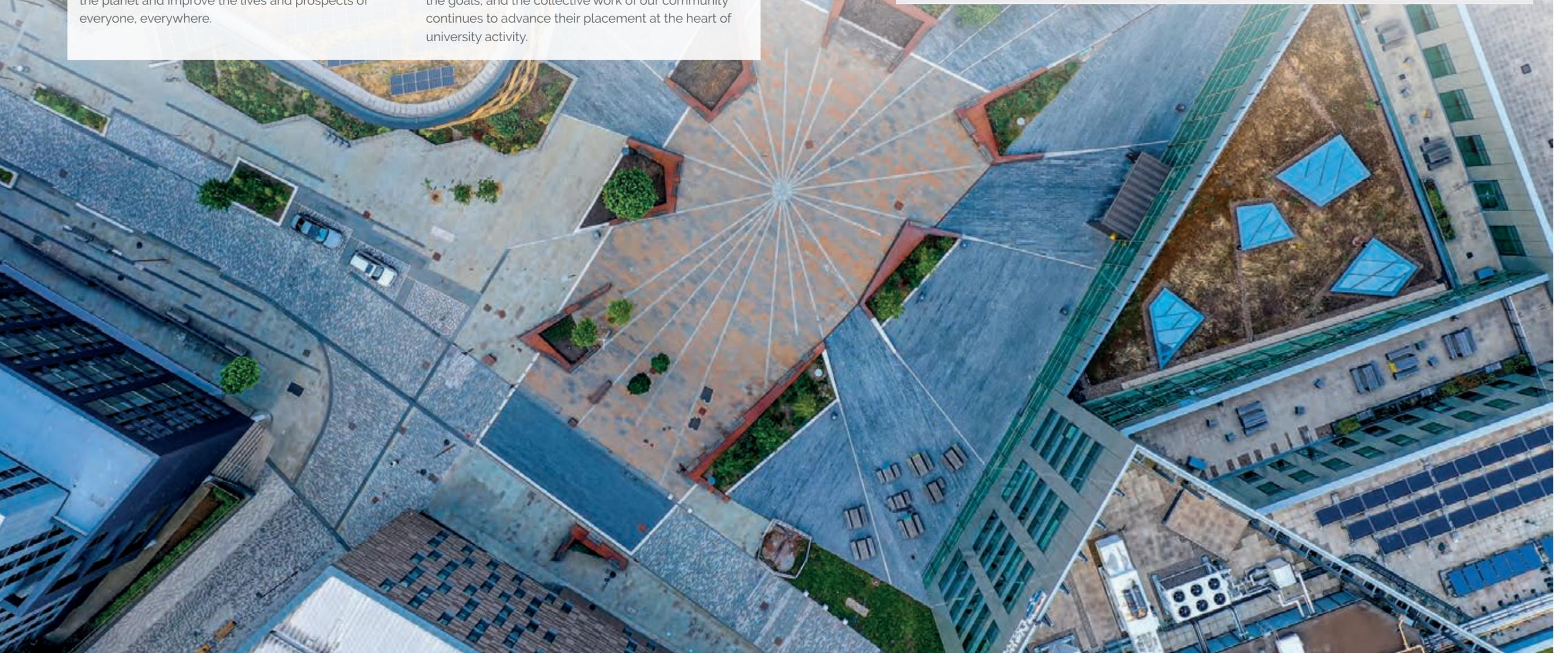
Social and environmental justice are core values of our Vision and Strategy, and we are committed to embedding sustainability in all that we do as a university.

In 2022, our progress was recognised through the Times Higher Education Impact Rankings as leading in the sector as the University was ranked 1st in the UK and 8th in the world for our contribution towards the United Nations Sustainable Development Goals (UNSDGs). The ranking measures alignment to the UNSDGs across the four broad categories of research, stewardship, outreach and teaching.

The UNSDGs are a call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere.

The 17 goals were adopted by all UN member states in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the goals. Examples of our contributions towards the goals can be seen throughout this report.

We are proud of the progress we have made to date, but we recognise there is more to do. Our UNSDG Committee, chaired by Professor Phil McGowan, continues its leading role in raising awareness of the goals, and the collective work of our community continues to advance their placement at the heart of university activity.



Education for life

Strategic priorities

Our ambition is to provide all our students with an education for life that engages, challenges and supports our students to discover and fulfil their potential both while they are studying with us and once they have graduated. To deliver this commitment we have three strategic aims:

- place student education experience at the centre of our planning
- provide sustainable research-based education
- build digital capabilities that enable flexible provision

Measuring progress

- **Student continuation:** continuation and completion rates of students who choose to study with us
- **Attainment gap:** supporting student success and progress for students irrespective of background
- **Graduate destinations:** what our graduates do and the proportion in graduate-level employment
- **Student feedback:** the feedback from students across all levels of study and at each campus location

82.3%

of our graduates are in high-skilled employment and/or graduate-level further study within 15 months of graduating
(Graduate Prospects – Times Good University Guide 2023)

93%

of our graduates progressed to employment or further study within 15 months of graduating
(Graduate Outcomes Survey 2019-20 graduates)

Progress during the past year with an eye to the future

Student education experience at the centre of our planning

Without doubt, the past two years have been an exceptionally difficult time for our students. The ongoing impact of the pandemic has contributed to feelings of isolation and disconnectedness and has seen a sharp rise in mental health issues. The disruption to their university experience was further compounded by industrial action, and now they are facing yet more challenges brought on by the rising cost of living. All these factors have contributed to our disappointing performance in the National Student Survey (NSS) and, to a lesser extent, the Postgraduate Taught Survey and Research Culture Survey. However, we take very seriously the fact that those factors were shared across the sector, and our relative position remained poor. Our overall satisfaction performance in the NSS has fallen from a top-quartile full-service institution position in 2018 to 2nd quartile in 2019, 3rd quartile in 2020, and 4th quartile now, at 68%, well below our top-quartile target. The results also reflect a downward trend in recent years around the core academic experience. We were 3rd quartile in most areas, except for learning resources (2nd quartile), assessment and feedback (4th quartile) and academic support (4th quartile). The University is committed to addressing the cultural issues that underlie the results and we are routinely challenging ourselves to test all decisions for their impact on our students' education experience.

Graduate destinations

Graduate employment is measured using the relatively new Graduate Outcomes survey and dataset, for full-time, first degree, UK domiciled graduates. Our outcome (using the new data measure based on Graduate Prospects in the Times Good University Guide) is that 82.3% of graduates were in high-skilled employment and/or graduate-level further study 15 months after graduation. This is within the top 20% of providers and is above the sector median of 72.8%.

Awarding gaps

Work to reduce awarding gaps has been underway for some time, and the target for narrowing the awarding gap between black and white students is now formally regulated by OfS through our Access and Participation Plan. Whilst progress on this measure is encouraging, base numbers are historically small, although growing. The internal target we have set in relation to continuing to narrow awarding gaps between low participation neighbourhoods quintiles recognises, despite currently relatively small gaps, the need to maintain focus on this measure for a number of reasons including increasing proportions of lower quintile students and the uncertain reliability of centre assessed grades for the 2020 intake.

Sustainable research-based education

We are implementing a review of our education portfolio to develop new and innovative programmes attractive to UK and international markets, and to stop the delivery of outdated, low-demand courses. We have initiated a programme of work on assessment using agile methodologies to ensure our assessment is pedagogically robust and appropriate to the needs of students and stakeholders. We are developing more diverse pathways into and through higher education via the expansion of flexible level 4 and 5 courses, and degree apprenticeships in areas of research strength.

Building digital capabilities that enable flexible provision

We have appointed a Dean of Digital Education to enhance the use of digital technologies to support education and to further develop our capabilities in online and technology-enhanced education. We are implementing learner analytics for use by students and personal tutors to support progression and success, and have invested in our data insight capability to join up student datasets, and understand and improve the student education experience and outcomes. We are initiating a new Digital Student Experience project to understand the risks and issues to the student education experience relating to our old and fragmented systems, and will develop a plan to address the change needed.



The PARTNERS programme has been running since 2000 and is one of the most well-established supported entry routes to higher education of its kind. It aims to support students in their journey to higher education, who have faced barriers to their education, including those who are less likely to go to university

because of their family background, low income or lack of access to information and support about universities and application. Over 8,000 students have studied at Newcastle University via the PARTNERS programme. It offers a range of support and opportunities to help prospective students make a successful application to Newcastle including an annual Summer School. The PARTNERS programme supported entry route is the cornerstone of Newcastle University's work with students from under-represented groups, and is integral to our Vision and Strategy.

PARTNERS academic summer school



Research for discovery and impact

Strategic priorities

Our long-term strategic aim is to fulfil our potential as a world-class, research-intensive university. Our research strategy sets the ambition for growth of people and resources that will allow us to deliver our aims to:

- nurture excellent research and innovation that expands fundamental knowledge, addresses societal and global needs, supports sustainable economic growth and promotes health and wellbeing
- equip colleagues and students at all career stages with the skills to contribute to research and development in the academic, commercial, public and voluntary sectors
- foster interdisciplinary approaches and partnerships with businesses and external agencies that extend the reach and impact of our research

Measuring progress

- **Research power:** the number of researchers producing high-quality research
- **Research environment:** the development of a thriving research culture
- **Research intensity:** winning competitive funding to leverage our investments in research

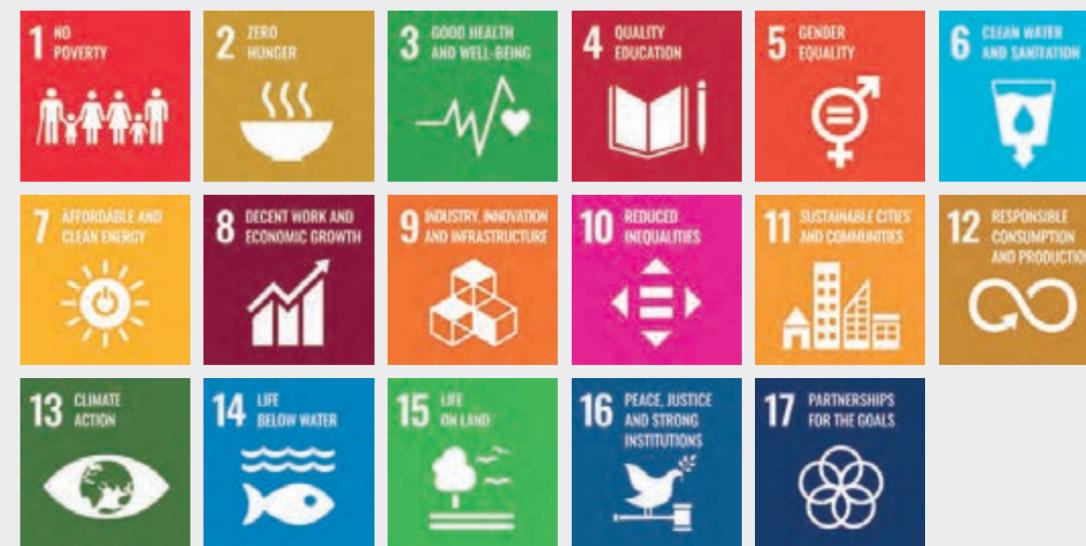


Progress during the past year with an eye to the future

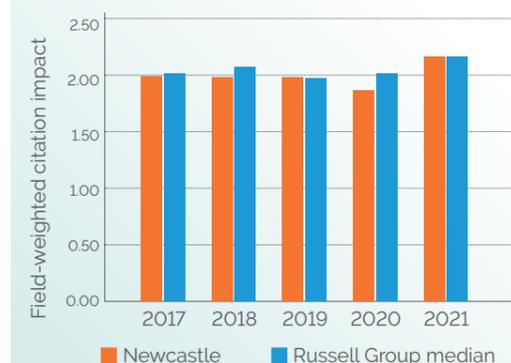
Growing research excellence and power

The Research Excellence Framework provides us with an infrequent measure of the progress we are making against one of our key strategic goals to grow both the number of researchers and the quality and impact of their outputs. The results were published in May 2022 following submissions from all UK universities in March 2021. The results reaffirmed our position as one of the UK's world-leading, broad-based, research-intensive universities. We achieved our highest-ever position at 15th in the UK rankings for research power (number of researchers multiplied by overall quality score) as a result of collective excellence in 27 disciplines from Clinical Medicine to Art and Design. While our absolute score for research quality improved our ranking fell from 26th to 33rd, reflecting overall sector-wide improvements and very small margins between institutions. However, our field-weighted citation impact score improved to above the Russell Group median, reflecting research quality in STEM disciplines and contributing to our highest-ever positions in global university rankings. We plan to continue to grow our research power and invest in the development of areas of strategic opportunity through our NUAct and NUFutures schemes to recruit early career researchers and academics at the most productive and innovative phases of their careers, respectively.

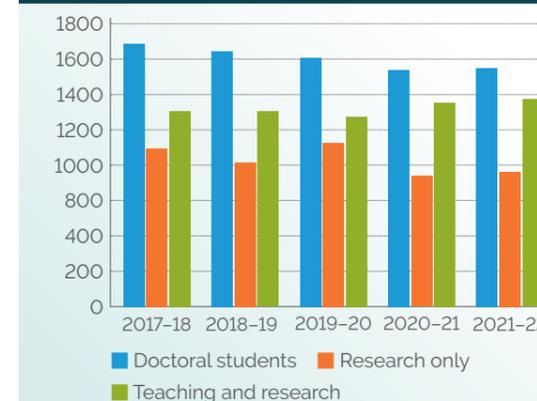
We deliver important research missions through a growing portfolio of Newcastle University Centres of Research Excellence (NUCoREs). Our portfolio of Centres coordinate our response to the world's major challenges and provide spaces for researchers to work together across disciplines and with external partners – an approach which is aligned to the interrelated and indivisible agenda set out by the UNSDGs. With Centres including those for Ageing and Inequalities; Water; Healthier Lives; and Climate and Environmental Resilience, our NUCoREs are delivering world-class, multidisciplinary research towards delivery of all 17 of the UNSDGs.



Research output quality



Number of researchers



65%

increase in research power since 2014
(REF 2021)

15TH

in the UK for global research power
(REF 2021)

42%

of our research is classified as 4* world-leading research
(REF 2021)

Research for discovery and impact *(continued)*

Electrification of transport

Following the award of £33m from Innovate UK to lead the Driving the Electric Revolution challenge network involving Centres in Scotland, the South West and Wales, and the Midlands, the University has established an Industrialisation Centre in Sunderland focusing on development and scale-up of manufacturing processes for power electronics, electrical machines and drives. Customers include McLaren, Tata Steel, Advanced Electrical Machines, GKN Aero and Edge Mobility. A further £1.5m award supports the University's partnership with the North East Institute of Technology, regional FE colleges and universities to establish a training programme that will meet the skills gap in engineering. The University has also been named as host for Faraday Institution North East, the first branch of this national research institute, recognising the North East's leadership on battery design, manufacture, safety, and recycling.

Meeting the challenges of multimorbidity

Our researchers in medicine and computing have won two major awards from MRC and NIHR to lead data-driven investigation of the factors which underpin multiple diseases occurring in the same person at the time of hospital admission, and which contribute to the harm from multiple prescriptions of drugs. The AI-MULTIPLY and ADMISSION projects reinforce our position as the UK's leading centre for investigation of ageing and health.



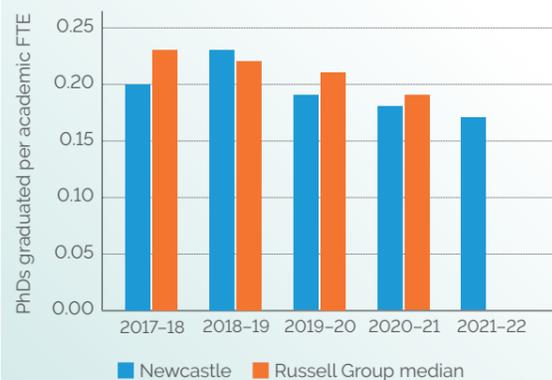
Increasing research income and intensity

Our research income during 2021-22 has largely recovered from the dip during the pandemic, and new awards have been maintained despite loss of around £9m of annual EU funding since the UK's withdrawal from the EU. A strategic imperative is to increase the proportion of our research that is externally funded and to mitigate the loss of EU funding. We have ambitious targets in place for growth in research applications, awards and income, supported by increased funding development and peer-to-peer support. The income growth targets needed to achieve peer group average have been recalibrated to take account of reduced research intensity (the proportion of income from research grants and contracts) across the Russell Group.

Research grants and contracts



Number of PhDs graduated per academic FTE Target ≥ Russell Group median



Postgraduate research students (PGR)

The longstanding strength of our support for PGR students was recognised in REF 2021 feedback but, despite substantial investment in mitigation of its impact by the University, PGR students were disproportionately affected by the pandemic and we have yet to demonstrate a return to the previous high levels of student experience and timely completion. A new PGR Strategic Delivery Plan has been developed and includes investment into a University Doctoral College, aimed at integrating our PGR students more within our research community and preparing them effectively to support a knowledge-driven economy in future.

Transformative initiatives

Sixteen multidisciplinary Newcastle University Centres of Research Excellence have now been launched, including most recently in Mobility and Transport, Biomedical Engineering, Children and Youth, Cyber Security and Resilience, and Water. The 50 Academic Track (NUAcT) fellows appointed to date have contributed to the targeted growth in external UKRI fellowships which have reached Russell Group median for the first time. Further targeted recruitment to Ageing and Health, One Planet and Culture and Creative Arts is underway.

Research culture

We are committed to addressing the challenges of research culture that have been highlighted in recent surveys and reports and exacerbated by the pandemic. We published a Research Culture Roadmap and are developing an action plan as well as performance indicators to promote collaboration and collegiality; fairness and inclusion; openness and integrity; and freedom to grow and explore.



Leadership for research technologists

In 2017, we were founder signatory to the Science Council-led and Gatsby Foundation-funded **Technician Commitment** and we are following an action plan to support career development for technologists. Our technicians were shortlisted for three years in succession for the **Times Higher Education Outstanding Technician of the year award**, which was won in 2021 by Andy Filby for his pioneering work in flow cytometry and single cell genomics as well as his leadership of an Innovation, Methodology and Applications research theme in the Faculty of Medical Sciences. The University also hosted the **Technician Partnership Conference 2022**, a one-day national conference for 300 delegates and has been selected as host again in 2024.

Engagement and place

Strategic priorities

Our Engagement and Place Strategy aims to ensure that we benefit society through our research, education and the way the University operates. The core value of social and environmental justice underpins everything we do. The strategy aims to deliver programmes to support:

- inclusive and sustainable economic growth
- health and wellbeing
- cultural richness
- inclusive education and lifelong learning
- global – local connections
- evidence-based policy making

Measuring progress

- **Social mobility:** Improve social mobility by making our education and research as accessible as possible
- **Mutually beneficial partnerships:** the strength and breadth of our mutually beneficial partnerships
- **Inclusive growth:** the University's contribution to inclusive growth in the North East and develop a more prosperous economy and more equitable society



Progress during the past year with an eye to the future

North East inclusive growth

Arrow, one of our flagship programmes which supports the growth of existing business by matching university academics with innovative regional SMEs, is on target to over-perform on all contracted outputs. In the next three years, it is forecast to lead to 143 new jobs, 53 new products or services and an increase of £16.9m in company turnover in the region. Company creation via Northern Accelerator, another of our flagship programmes which supports the creation of new tech companies based on university research, is making a real difference in the region – turnover of our spin-outs increased from £7m to £9.4m in 2020–21 and the number of employees was up to 234 at the end of July 2021. We are developing a long-term sustainable funding model for Arrow and Northern Accelerator to replace European funding which will cease in 2023.

We have continued to develop our student placements, developing our Engaged Newcastle programme with employers and have increased student placements. Our degree apprenticeships ensure that we are equipping students with the skills and capabilities that match employers' business needs. We launched our first suite of degree apprenticeships in September 2019 and to date just over 100 apprentices are enrolled on one of our advanced and degree apprenticeship programmes. We are maximising opportunities for inclusive growth through the development of our strategic sites – Newcastle Helix, Campus for Ageing and Vitality and Energising Blyth, linked to our plans to support skills and lifelong learning.

Social mobility

We are working through UniConnect, North East Raising Aspirations Partnership (NERAP) with the Office for Students (OfS) and Department of Education (DfE) in the North East to ensure progress is made to improve the proportion of new entrants from low participation neighbourhood students to achieve the targets in our Access and Participation Plan. We are developing approaches to project-based learning, particularly linked to our strategic sites, working with schools and industry partners to ensure our education and research is as accessible as possible.



Newcastle academics have developed a bespoke dataset and analysis of city trends, aligned to the UN Sustainable Development Goals, in order to establish the evidence base for the Newcastle Future Needs Assessment. The work was carried out under the Newcastle Agreement, part of our

Collaborative Newcastle programme which brings together the NHS, local government, higher education, voluntary and community sector in Newcastle. Together we're combining efforts, expertise and resources to achieve a single, shared vision. Working collaboratively and creatively to reduce inequalities, tackle some of the big things that hold people back, and provide better opportunities for all.

Partnerships

Following the launch of the Collaborative Newcastle Universities Agreement in July 2021, we have taken forward the development of a strategic programme with Northumbria University that addresses local need. The partnership brings together our combined world-leading expertise for the benefit of the communities of Newcastle and beyond. We have developed our partnerships with the North East Local Enterprise Partnership and North of Tyne Combined Authority to connect our innovation and skills to key growth areas. Through our partnership Energising Blyth, we are working with schools, colleges, employers and local government in South East Northumberland to connect our research capabilities in battery technology and renewable energy with a programme to support upskilling and reskilling of local people of all ages and backgrounds. Insights North East (INE) aims to build a shared understanding of the knowledge and data across partner organisations and develop new ways of connecting that knowledge base to regional policymakers to better address the needs of local communities. The £5.5m project has received £2.8m from Research England's Development Fund.

Our partnership with the University of Pittsburgh has developed significantly, launching plans for a global hub and building collaborative projects ahead of our next international place-based conference. We will deliver a programme of activity to support Collaborative Newcastle – people, planet and prosperity. We will share best practice nationally through the Civic University Network.

Social justice

We bring together academics, practitioners from the Voluntary, Community and Social Enterprise sector, and professional services colleagues at the University to work collaboratively to address issues of social justice. The forward programme of activity includes three annual social justice forums and a targeted funding scheme for collaborative projects. We are supporting the West End Children's Community as part of a long-term commitment to working with local communities and building on our strategic partnership with Tyne and Wear Citizens through a shared post. We continue to support the University of Sanctuary and our commitments in the Race Equality Charter.

Engagement culture

We held our inaugural Engagement and Place Awards in May 2021, making awards to projects that demonstrated a strong relationship between high-quality engagement and high-quality research or teaching, creative and innovative approaches to engagement or outreach, clear benefits of the engagement to both the research or teaching and the external organisation or community and long-term impact or ambition.

AWARDED

Gold Engage Watermark



We have combined the action plans from the Engage Watermark accreditation and the Knowledge Exchange Concordat to create a strategic combined knowledge exchange and engagement action plan. Linked to this we will be supporting student knowledge exchange projects, which enhance student experience and employability. In academic year 2021–22, we will be developing plans for a public engagement festival to showcase our world-class research and teaching, and to engage local communities.

Global

Strategic priorities

Our long-term strategic aim is to excel by being an internationally networked and diverse community of students and colleagues who identify as global citizens, and who can respond to global challenges through the research we undertake and the skills and knowledge we create. To deliver this commitment we have three strategic aims:

- enhance the global impact and visibility of our research, education and engagement
- foster a global culture, competency and opportunities, to attract, empower and inspire a diverse community of stakeholders
- expand our global reach, connectivity and presence by building and strengthening our portfolio of international partnerships and relationships

Measuring progress

- **Global research profile:** the profile of our internationally excellent and impactful research
- **Global networks:** building our international partnerships, improving colleague mobility and enhancing alumni engagement
- **International student community:** the diversity and volume of our international student community across all campus locations

Progress during the past year with an eye to the future

Growing and diversifying international student numbers

International recruitment remained challenging in 2021-22 due to significant global events including impacts of the UK's withdrawal from the EU, ongoing Covid restrictions in key markets, and delays to visa processing. Our international undergraduate recruitment declined after a period of growth, although international postgraduate taught numbers were impacted less, with numbers on target and up on the prior year. The UK leaving the EU caused a significant fall in EU student numbers, and scholarships were used to mitigate this slightly.

We have agreed ambitious growth targets for international student numbers, our ambition is that by 2025 one in five of undergraduate, and two in three of postgraduate new entrants will be international. This requires the development of a new joint recruitment strategy for home and international recruitment aligned with Faculty and School plans. A high priority will be placed on building sustainability and diversity into our international student recruitment and the internationalisation to support students' transition to Newcastle. The strategy will be underpinned by the development of a portfolio framework and further portfolio development focused on the Education Challenge themes.

In 2022, we celebrated our alumni network reaching 250,000 members worldwide. As well as on-campus events there will be a series of events for alumni in Singapore, Malaysia, China, India and the United States to broaden our alumni engagement across the world.

Increase international student mobility

International student and colleague mobility was significantly impacted by the pandemic. Student mobility fell to around 1% for the 2021-22 undergraduate graduating cohort, with some improvement from this position in 2021-22 with over 600 students going abroad compared to only 40 in 2020-21. We plan to increase mobility for undergraduate students and are working towards a target of 1,850 students undertaking an international mobility by 2025. We will focus on sustaining existing mobility partnerships through a transition from Erasmus to Turing, and on expanding our exchange partner portfolio. We have adapted to changes in the student mobility environment by winning a second ambitious Turing Scheme bid (the UK's Erasmus+ successor programme) of over £1m which provides opportunities



Poppy Sheward-Skelton recently graduated from the University with a History BA Honours degree. After graduation, she spent the summer in Cambodia doing incredible work through Newcastle's Global Opportunities. She worked with Youth for Peace Cambodia, a member site of the International Coalition of Sites of Conscience, supporting survivors of the Khmer Rouge genocide whilst educating Cambodian youth on their histories, and offering various workshops to empower youth to become socially responsible leaders.

As part of the experience, Poppy learnt traditional Cambodian dances and shared Cambodian wine and BBQ food during her first week. She had lunch with the team every day, providing the team with a brilliant opportunity to practise their English and to teach her a little Khmer. Poppy feels great affinity to Youth for Peace and will look to find other ways to help the organisation in the future.

for students typically underrepresented in our mobility cohorts. We plan to increase postgraduate mobility and work towards parity with undergraduate students. We continue to expand our virtual mobility portfolio and have introduced new virtual exchange activities centred on addressing Sustainable Development Goals collaborating with European and Asian partners.

Global partnerships

Our global strategic partnerships align with our strategic priorities, values and key thematic strengths, and deliver value for our students, colleagues and partners. Our approach to partnerships and collaborations has been strengthened with more targeted support for a smaller number of broad, strategically aligned collaborations. We have diversified this group beyond universities with our International Coalition of Sites of Conscience partnership in support of our social and environmental justice ambitions. 18 students participated in internships via this partnership in 2021-22, undertaking work for sites including the War Childhood Museum in Bosnia and Herzegovina, and the Single Mothers Association of Kenya. We have a fifth spotlight partner in the pipeline to support collaboration with Small Island Developing States, and have recently twinned with the Ukrainian National University of Water and Environmental Engineering.

International research

Newcastle ranked 15th in the UK for European Funding Framework Programme 7 and Horizon 2020, and aims to be within the UK top 15 in Horizon

Europe by 2025. Newcastle is ranked 39th in the world for the depth and breadth of collaborative research by publications, as measured in the new International Research Network metric in the QS World Rankings 2023. The percentage of international co-published papers has remained consistent, and our top co-publishers list includes many of the world's highest ranked institutions, including Harvard University, University of Toronto, and University of Copenhagen. However, co-publications provide only a partial view of international research collaboration. As we seek to give further recognition to colleagues developing mutually beneficial partnerships with colleagues based at Global South institutions, we will need to diversify the metrics by which we judge success. International research funding continues to be challenged by the ongoing uncertainty of the UK's association with Horizon Europe, but we are still being successful in Horizon Europe with many projects awarded and receiving UKRI Guarantee Funding.

South East Asia strategy

We have renegotiated the joint undergraduate collaborative agreement for a further five years with Singapore Institute of Technology (SIT) and have commissioned market research into future options for the next phase of presence in Malaysia. We are developing a sustainable research and education strategic plan to develop our presence in South East Asia. Our partnership with SIT is central to these plans, the opportunity to broaden and deepen our research relationship points to a bright future.

World University Ranking Tables	2018	2019	2020	2021	2022
Leiden Rankings	132	91	78	66	78
QS World University Rankings	141	146	152	134	122
Times Higher Education World University Rankings	171	201-250	178	146	139

Our students

We have over 29,000 students from more than 140 countries, contributing more than 50% of our total income through tuition fees and accommodation payments. Students are key to our success and we value their engagement and listen to the student voice.

Our dedicated University community is working hard to help our students reconnect and recover their sense of belonging. This year, the Students' Union ran an innovative campaign to encourage students to nurture their own wellbeing by practising self-care and setting boundaries around their academic work, and aimed to raise awareness of the increasing levels of support available for students experiencing poor mental health. Over the past five years we have doubled the size of our Wellbeing team, placing Wellbeing Advisers in faculties and schools.

The rising cost of living affects us all, and our students are no exception. In response to the increases in energy costs, we have increased our hardship funding. Together with the Students' Union we are developing more information, advice and support to students on budgeting, healthy finances and navigating the rising cost of living.

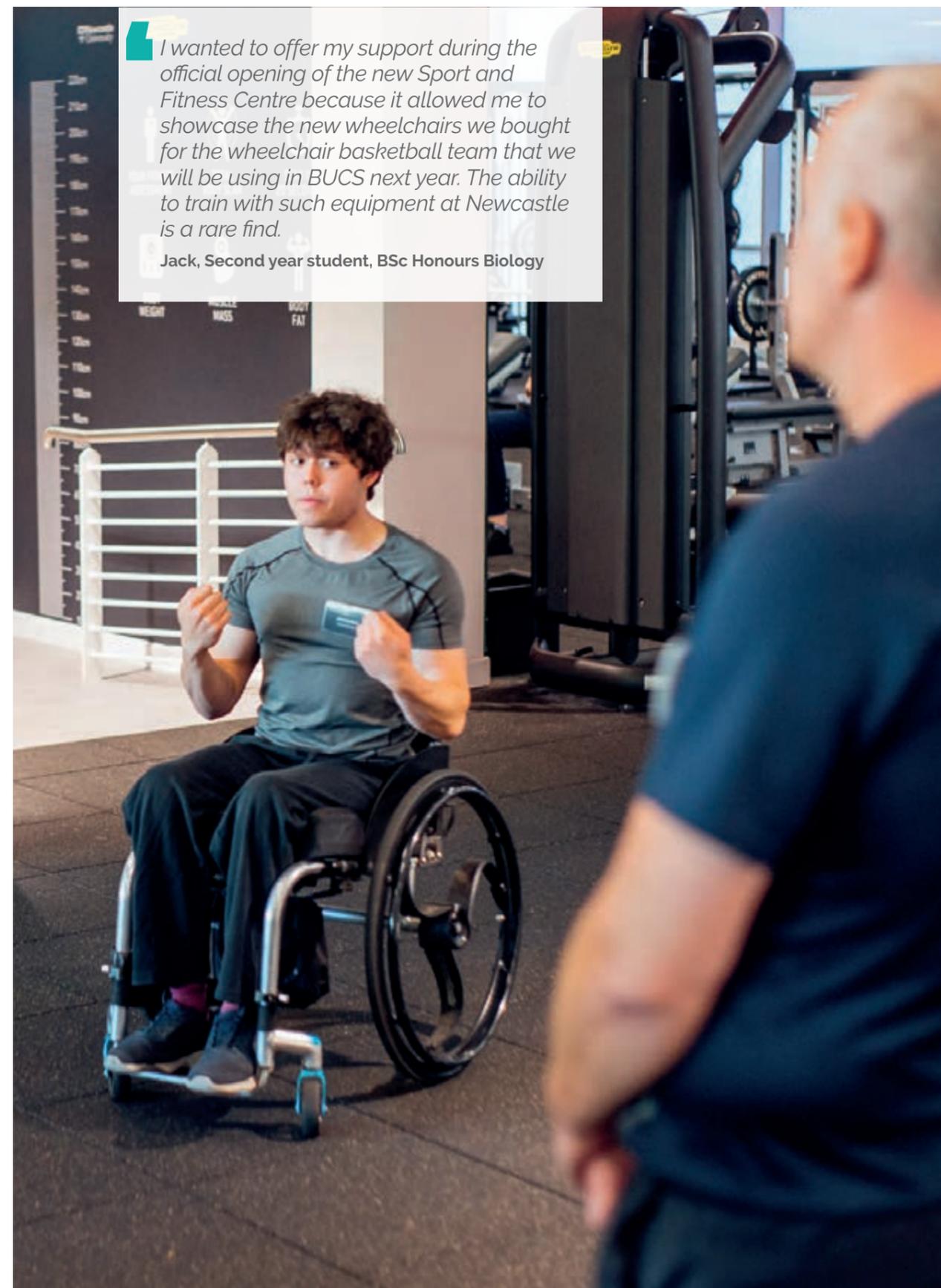
The war in Ukraine provided a stark reminder of the importance of our status as a University of Sanctuary. Enabled by generous funding which included £1m from the University's Development Trust, our students and colleagues have worked tirelessly with regional and national partners to provide emergency bursaries for our Ukrainian students, full-fee Sanctuary Scholarships for some of those unable to continue their studies, specialist wellbeing and counselling support, and with the help of our award-winning student-run volunteer project (North East Solidarity and Training) free English language support to the refugee community in the University and region.

Sport also has a vital role to play in reconnecting our student community and supporting their wellbeing, and June 2022 saw the official opening of our new Sport and Fitness Centre following a £32m investment.

This year saw record numbers of students taking out gym membership, and participation in our sports clubs recovered to pre-pandemic levels. Nationally, our British Universities and Colleges Sports (BUCS) team had a fantastic year, finishing in a highest-ever 8th position in the BUCS league. Meanwhile, a new Sport and Active Wellbeing Plan, developed with the support of the Students' Union, aims to make the University a national leader in the delivery of inclusive sport and active wellbeing, inspiring our students to be the best they can be.

Also linked to good mental health is our ongoing work with our Sabbatical Officers to create a respectful, inclusive campus environment where bullying and harassment, sexual violence, discrimination and hate crime are challenged and reported, and action taken. We are expanding the number of Sexual Violence and Hate Crime Liaison Officers, improving training and education for our students and colleagues, implementing effective systems for reporting, and running campaigns to raise awareness that hate crime will not be tolerated in our community. We are working closely with the Students' Union to foster belonging in our student community.

For our students living in our accommodation, engagement has continued through our ResLife teams providing both in-person and online activities and support. During 2021-22, ResLife recorded 82,558 engagements, which included attendance at events or interactions via competitions or social media. In addition, 900 students engaged with our educational curriculum including the six-week programme at the start of term, with alcohol and drugs education. Informal support has been provided by the ResLife team as well as support provided by Student Welfare and the Student Health and Wellbeing Service.



I wanted to offer my support during the official opening of the new Sport and Fitness Centre because it allowed me to showcase the new wheelchairs we bought for the wheelchair basketball team that we will be using in BUCS next year. The ability to train with such equipment at Newcastle is a rare find.

Jack, Second year student, BSc Honours Biology

Our people

Strategic priorities

Our university-wide people enabling plan involves building an inclusive working and learning environment which is engaging, enjoyable and builds trust. We aim to attract and retain highly talented colleagues and students, investing in their skills and development, whilst recognising and celebrating their achievements.

Progress during the past year with an eye to the future

Recruitment

Attracting and recruiting highly talented colleagues locally, nationally and internationally, through inclusive recruitment practices continues to be one of our top priorities and features heavily in our Race Equality Charter and Athena Swan accreditation action plans.

The new immigration system has been in place for the past year, and we have seen a sharp increase in colleagues requiring sponsorship or support from the University for a global travel visa (238 colleagues in 2021-22 compared to 180 in 2020-21). Our dedicated support at an early stage in the recruitment process has ensured that colleagues joining the University have received the appropriate guidance and support during this process. We are also reviewing the relocation support that we provide to colleagues.

Colleague development

Our focus on culture, values and behaviour has continued this year. We have formally launched our Leading Through Values programme, a new three-day leadership programme for all leaders focused on culture, values and behaviours. The programme has been delivered to over 145 leaders across the University, and is a catalyst for further team development and projects. 2021-22 also saw the second cohort of our Inclusive Futures leadership programme for ethnically minoritised colleagues. Delivered in partnership with Common Purpose, this year the programme won the regional Chartered Institute of Personnel and Development award for Excellence in Diversity and Inclusion.



6,004
full-time equivalent
colleagues employed
at 31 July 2022
increase of 126 (2.14%)
from 31 July 2021



Newcastle University is a member of the Advance HE Race Equality Charter (REC). The REC provides a framework to help the University to identify and self-reflect on institutional and cultural barriers standing in the way of staff and students from minority ethnic groups. Our REC action plan details the measures that we are taking to overcome these barriers.

Newcastle University is also a member of the Athena Swan Charter which recognises employment practices which promote gender equality. We are one of a small number of UK universities in the UK to hold an Athena Swan Silver award demonstrating the impact of our activities. Thirteen academic units also hold Athena Swan departmental awards.

As one of the first organisations to become signatories of the new Researcher Development Concordat, work has continued in this area. In particular, we have created a new role to accelerate the work around creating the Skills Academy, which will be a hub for research skills and collaborations. To inform the focus of the Skills Academy alongside our work on research culture, we have undertaken a survey of the research community to better understand their needs around personal and career development.

Utilisation of the apprentice levy has continued to form a significant part of our development of new and existing colleagues with £0.3m being invested this year. This covers 92 apprentices ranging from level two to seven, across 20 different training providers.

We held a Technicians Partnership Conference in July 2022 at The Frederick Douglass Centre. The conference was structured around three themes – Research Culture, Net Zero, and Technical Careers. The objective, which was achieved, was to share best practice and form productive networks amongst technical communities.

Equality, diversity and inclusion (EDI)

The University has a long-standing commitment to EDI and holds it as one of our core values. We continue to make progress across a range of university-wide EDI activities. For example, as part of our race equality work, we have submitted our Race Equality Charter application in 2022. In addition, we are progressing with the delivery of our institutional Athena Swan action plan and, as part of our disability inclusion work, we have joined the Disability Confident scheme.

In 2022, we carried out an extensive review to enhance our Equality Analysis process and plan to roll out a new template, guidance and training in the 2022-23 academic year. We have embedded Active Bystander Training as essential training. In addition,

we continue to strengthen relationships with our EDI Networks and have launched a new Carers Policy.

As part of our Research Culture Roadmap, EDI colleagues and research leaders have launched a research project into inappropriate behaviours that impact on embedding a positive research environment. This work will inform a range of actions aimed at tackling such behaviours. In addition to this research, we have been commissioned to lead sector-wide research for Advance HE around a holistic approach to EDI within universities.

Colleague wellbeing

In 2021-22, the University made the decision to invest in a new Colleague Wellbeing team. The team have led on the development and approval of the new 2022-27 health and wellbeing strategic plan, which was developed in consultation with the Student Health and Wellbeing Service, and the Occupational Health and Safety Service. In addition to this, working with the same services, the team have co-developed the University's suicide prevention strategic plan.

We have introduced a wellbeing events calendar which is supported by enhanced wellbeing communications, including a new monthly wellbeing bulletin to promote wellbeing support and activities. In line with enhancing communications and raising awareness of wellbeing support for colleagues, we have increased our wellbeing peer support volunteers, with Just Ask volunteers going from seven to 33, and Wellbeing Ambassadors across faculties, schools and departments growing from 28 to 73. We have also introduced Menopause Champions to the University to raise awareness of this important topic and signpost to existing support. In addition to growing in numbers, we have improved the training for Just Ask volunteers – they now receive mental health first aid training and regular peer support via Just Ask volunteers and Wellbeing Ambassadors forums.

Physical and digital infrastructure

Strategic priorities

Our university-wide physical and digital infrastructure enabling plan involves the future development of our campus including digital and data transformation, future ways of working, blended learning and how we best develop and use our physical space, all designed to evolve our University to support people to give their best.

Progress during the past year with an eye to the future

Physical infrastructure

The return of activity on campus following the easing of Covid restrictions was a welcome return to normality with colleagues, students, visitors and the public bringing the campus back to life. The continuation of our capital projects also brought a sense of normality and progress to the campus and, in the case of The Henry Daysh Building, provided outstanding new facilities. The £60m project was completed at the end of August 2021, just in time for the start of the new academic year. The building has been extremely well received with positive feedback from colleagues and students alike.

The Stephenson Building and Sir Terry Farrell building projects are progressing well despite the challenges of a volatile supply chain and high levels of inflation. The redevelopment of the Stephenson Building, part of our School of Engineering, has attracted significant interest both regionally and nationally and the completion of the building's structural elements provide us with an insight into what a huge asset the building will be to the University. The project is scheduled to complete in two phases, with the first phase completing for the start of the 2023-24 academic year and the second phase completing the following year. The Sir Terry Farrell project is due to complete in November 2022, with the official opening scheduled for February 2023.

Ongoing investment in our long-term maintenance programme continues to ensure that our estate condition and functional suitability continues to be well above the Russell Group benchmark and sector norm, despite the supply chain issues and contractor resource that have hampered this work.

The masterplan for the former Newcastle General Hospital site, which will see the site developed as a world-leading facility for development and promotion of healthy ageing, has received outline planning

permission from the city planners. Following an extensive tender process, Genr8 Kajima Regeneration Limited have been appointed as development partners for the site. Further masterplan development work is now ongoing, and a development phasing plan is being established.

Student numbers in accommodation remained steady during 2021-22 following the flexible start dates provided to international students to assist with travel arrangements. We housed a total of 3,439 students in University-owned accommodation and an additional 1,133 in commercial student accommodation schemes through nominations agreements. Average occupancy for University-owned accommodation has achieved over 95% per month for the academic year 2021-22 with limited numbers of students withdrawing.

Long-term maintenance investment in accommodation of around £1.7m has been made including significant investment at Bowsden Court to improve the kitchen and living spaces using sustainable methods.



The innovative approach and tireless work of our colleagues in Estates and Facilities was recognised in the Times Higher Education Awards in November 2021 winning **Outstanding Estates Team of the Year**



Net internal area of the estate is **249,050m²** an increase of **4,050m²** on the previous year



Newcastle University's award-winning Catalyst building is home to the National Innovation Centre for Ageing and the National Innovation Centre for Data. The building was awarded BREEAM 'Outstanding' in recognition of its sustainable design. The internationally recognised BREEAM standard rates multiple criteria across the construction process, such as health and wellbeing, energy and material usage. The specialist facilities provide space for businesses and research specialists to work collaboratively on developing products and services to solve key societal and industry challenges.



Digital infrastructure

In 2021-22, we saw some structural changes within our IT Service as part of the Evolution Programme. We also introduced new governance arrangements and ways of working which ensure we are best placed to serve the complex demands of our diverse university.

We have been working hard to supply the digital tools our students and colleagues need to work effectively, in a way that suits them. We have helped to develop the classrooms of the future, employing state-of-the-art technologies in novel ways to enable a learning and teaching experience that reflects our changed learning landscape. Over 600 colleagues attended online skills workshops to help them work more effectively and get the best from digital tools such as Microsoft 365 apps, Teams and SharePoint.

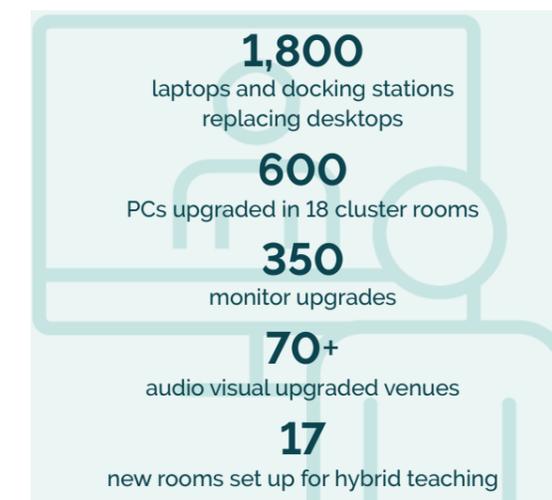
Our online IT support hub, NUService, relaunched in January 2022. The upgrade allows students and colleagues to request IT services and support with more ease and efficiency, and allowing better reporting which helps us to make ongoing improvements.

Our strategic programmes of work progressed, such as the groundwork for the implementation of new People Services modules utilising our existing ERP system, with the aim of delivering centralised, secure cloud solution which will increase the efficiency of our processes, improve the transparency of data and offer more opportunities for employee self-service. In September 2021, we launched the first phase of a new enterprise admissions system which gives a streamlined digital application experience for prospective students. It provides a clear route for students and agents to easily submit, manage and track their applications to study with us.

We have made significant improvements to the University's network and provided infrastructure connectivity for new capital projects.

We continue to invest in improving our cyber security controls to ensure our information and technology assets are adequately protected. We are establishing a Cyber Security Committee to oversee and advise on current cyber risk exposure and lead our future risk strategy. We have also delivered several security initiatives across our estate, including the update of over 12,000 managed devices to the latest release of Windows 10, ensuring they can run up-to-date applications securely.

Looking ahead and recognising the changes in working, teaching and learning practices, we have embarked on a project of stakeholder engagement to understand the requirements of our physical and virtual estate to support the University, our colleagues and our students in the future. This project will develop a new digital and physical masterplan.



Environmental sustainability

Strategic priorities

Our core environmental sustainability strategic priority is to become a net-zero University by 2030. This will be achieved through the implementation of our Climate Action Plan, reviewing our environmental policy, objectives and targets and accelerating projects to increase our on-site renewable energy generation and decarbonise our estate and energy.

Progress during the past year with an eye to the future

Three years since declaring a climate emergency, our climate action and work towards the United Nations Sustainable Development Goals (UNSDGs) has been recognised as internationally leading. We are proud that the University was ranked 8th in the world (1st in the UK) in the Times Higher Education Impact Rankings 2022. Our Climate Action Plan (CAP) was recognised by the Environmental Association of Universities and Colleagues (EAUC) for its scale and ambition, receiving a Highly Commended Green Gown Award 2021.

We continue to work at pace to progress decarbonisation projects towards our target of net-zero carbon emissions by 2030. We have completed a 'deep-retrofit' refurbishment of the Great North House building supported by funding from the Public Sector Decarbonisation Scheme. Measures include installation of a rooftop solar photovoltaic array, air source heat pump, improved thermal envelope and LED lighting and controls which cumulatively will reduce emissions by 40 tonnes per year.

Work is progressing on installation of our first energy-centre scale heat decarbonisation project having secured £2.9m of BEIS funding via the Heat Networks Investment Project for installation of a 1MW liquid biofuel-CHP to save more than 10% of current Scope 1 and 2 emissions.

We have also committed £11m to a campus-wide rooftop solar photovoltaic

array retrofit programme, that will see panels installed on around 50 buildings on our estate.

COP26 in Glasgow provided important momentum for change. Our delegation of observers contained representation across our community including student leaders, professional services and academic colleagues, harnessing the cross-sector opportunities to engage on climate change.

During COP26, we launched our Climate Leadership Scholarships which support students to carry out research in areas that address the UNSDGs. We also increased our commitment to responsible investment, becoming one of the founding signatories of the COP26

declaration for asset owner expectations of asset managers, which seeks to improve action by the latter on climate change.

The Climate-Emergency-Change exhibition, combining contemporary arts and climate action-related science research projects, was curated to coincide with COP and engage with colleagues, students and members of the public on climate change.

We have continued to expand the ways that we engage with colleagues, including implementation of the Laboratory Efficiency Assessment Framework (LEAF) to improve sustainability within labs, which now has over 30 participants across the University.

1ST
in the UK for sustainable development
(Times Higher Education Impact Rankings 2022)

8TH
in the world for our impact towards the UNSDGs
(Times Higher Education Impact Rankings 2022)



Our externally recognised Climate Action Plan describes our ambitious pathway to net-zero carbon dioxide emissions by 2030. In July 2021, we achieved the BEIS Higher Education carbon target of a 30% reduction in Scope 1 and 2 carbon emissions compared to a 2009-10 baseline. Multiple projects are underway towards delivery of the plan including a £11m campus-wide rooftop solar photovoltaic array retrofit, installation of a 1MW liquid biofuel-CHP and completion of the final phase of the campus-wide LED lighting replacement project.

Realising the opportunities for positive contribution to the environment within and surrounding our campus, in 2022 we planted an additional 1,500 square metres of wildflower planting on our city-centre estate, with plans to extend this further in 2022-23. We have also achieved Hedgehog Friendly Campus Silver Award in recognition of the action taken to improve habitats for local flora and fauna, and retained our Green Flag award for the central Newcastle campus.

Initiatives like these are key to involving all of our community in the transformative change required to tackle the climate and ecological emergencies, and to energising us all to go beyond what we have previously thought possible to address these critical issues. As we reach phase two in delivery of our Climate Action Plan, it is more important than ever that we harness the expertise and skills from across the University to ensure that we are successful.

Data	2020-21	2019-20	2018-19
Estate Gross Internal Area (m ²)	501,721	497,529	486,755
Scope 1 and 2 Carbon Emissions (tCO ₂ e) ¹	21,572	23,490	26,854
Scope 1 and 2 Carbon Emissions (kg per m ²)	43	47	55
Scope 3 Carbon Emissions Total (tCO ₂ e) ²	69,987	98,522	109,265
Business Travel Carbon Emissions (tCO ₂ e) ³	203	3,822	7,476
Total Energy Consumption – Electricity (kWh)	42,471,820	43,691,196	51,648,206
Total Energy Consumption – Gas (kWh)	52,089,731	52,220,880	55,852,096
Total Energy Consumption – Heat (kWh)	12,965,270	12,390,572	14,132,006
On-site Photovoltaic Electricity Generation (kWh)	55,751	51,723	65,402
Total Water Consumption (cubic metres)	226,976	290,524	311,883
Total Waste Mass (tonnes) ⁴	1,568	1,690	2,095
Total Waste Mass – recycled via source separation (%) ⁴	42%	42%	35%

¹ Scope 1 – direct emissions from owned or controlled sources eg natural gas, fleet vehicles
² Scope 2 – indirect emissions from the generation of purchased electricity, steam, heating and cooling
³ Scope 3 – all other indirect emissions that occur in our value chain including procurement, business travel, capital goods (construction and IT) etc
⁴ Business Travel is one source included within Scope 3 Total above
⁴ Excludes other works eg construction and refurbishment

The data above is unaudited information

Financial review

The operating environment and ongoing uncertainties we faced during last year continued to be extremely challenging.

The year was again significantly impacted by the ongoing pandemic, with many parts of our operations and activities adversely affected.

From a financial perspective, the impact has been felt

most significantly in a drop in international student recruitment, which has resulted in a reduction in our total tuition fee income. Commercial income remains down against historic levels, as areas of

the campus closed during the year. Some areas of cost increased as we supported our activity in new ways in order to deliver our teaching and research while navigating the pandemic.

Despite the challenges, the overall results for the year are encouraging, with a small underlying operating surplus of £0.4m (2021: £6.7m surplus). The impacts of pension adjustments resulted in an overall statutory deficit of £(98.8)m (2021: £21.1m surplus). Our underlying EBITDA, as a percentage of total income, has decreased from 8% to 7%.

Underlying operating performance

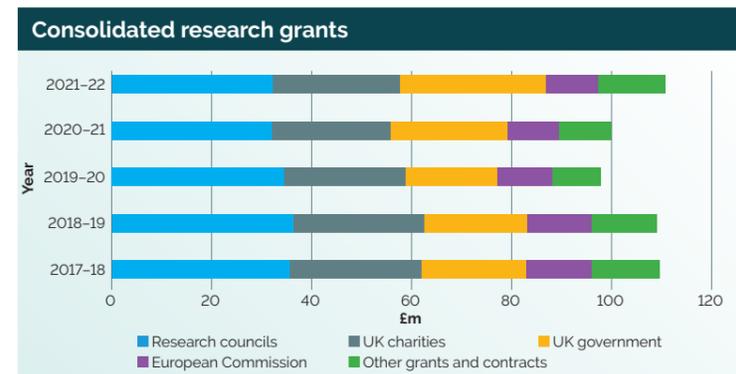
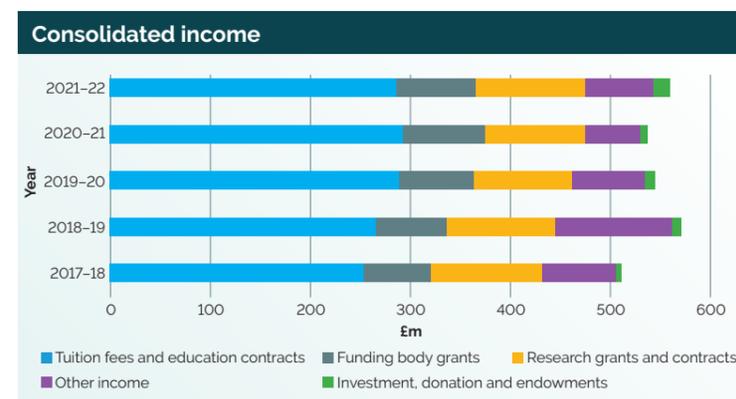
As in previous years, the financial performance of the University has been affected by the impact of pension scheme valuations and pension accounting. For the purposes of assessing underlying operating performance, we exclude the impacts of pension accounting adjustments and other exceptional costs such as significant impairments or significant movement in our endowed investments. The detailed reconciliation to underlying surplus before tax and underlying EBITDA can be found in Note 28.

Income

Total income at £558.6m, whilst impacted by the pandemic, is up 4% year-on-year, due in the main to a £12m increase in other income.

Tuition fee income in the year totalled £287m representing a fall of 2% from the prior year. This was driven by lower than anticipated new international undergraduate and home postgraduate student recruitment.

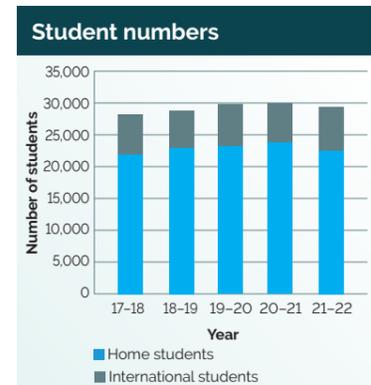
Overall, student headcount was 2% down on prior year with the closure of our London campus contributing significantly to the fall. The overall proportion of international students was 19%, increasing from 17% in 2020-21.



Funding body grants were £2.6m down on the prior year at £78.6m. This was largely as a result of failure to secure teaching capital infrastructure funding in the year. However, they continue to reflect over 14% of total income.

Research income of £109.6m reflected a 10% increase from the prior year (2021: £99.6m).

Research income was significantly affected during the pandemic, but the result for the year shows a continued increase and recovery in research income and activity levels.



Across the 12-month period to July 2022, applications for new grants increased in volume and in value compared to a three-year average performance. New awards, a lead indicator of future income, also saw an increased volume in the year.

Other income increased from £56.1m to £68m in the year. This included a £6m increase in income from our student accommodation and an improvement of over £1m in income from our catering services. This is a positive return towards more normal operating performance, despite some continued pandemic impacts in the year.

TOTAL INCOME
£559m
 (2021: £536m)
 Aspects of our revenue base continued to be affected by the pandemic, however, total income grew by 4% as a result of growth in research and other income.

TUITION FEE INCOME
£287m
 (2021: £293m)
 Tuition fee income was £5.9m lower than 2021. Ongoing uncertainty caused by the pandemic saw a lower than expected international undergraduate intake.

RESEARCH INCOME
£110m
 (2021: £100m)
 Our research income improved by £10m reflecting continued recovery and growth after the impacts of the pandemic.

UNDERLYING SURPLUS
£0.4m
 (2021: £6.7m)
 The ongoing pandemic continued to impact on parts of our operations in the year affecting our operating surplus.

STATUTORY DEFICIT
£(99)m
 (2021: £21m surplus)
 Our statutory result has been heavily affected by pension accounting adjustments, in particular an increase of £98m in the USS pension provision.

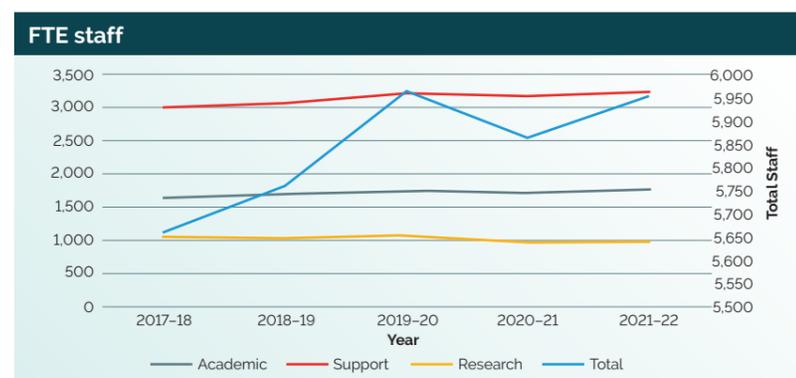
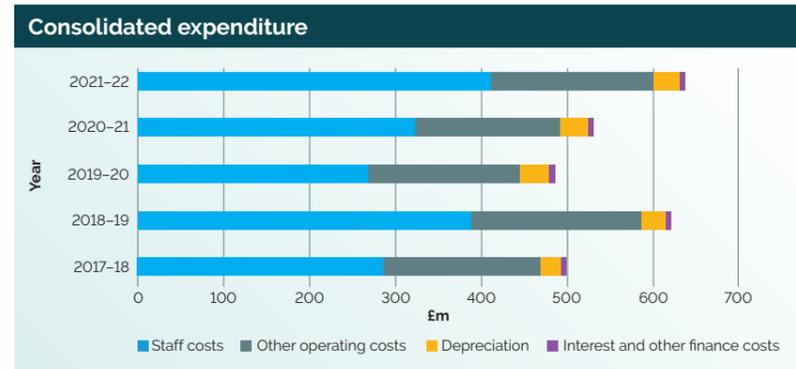
CASH BALANCES
£218m
 (2021: £207m)
 The University continues to have strong liquidity. Cash balances grew over the course of the year, providing a strong foundation for future capital investment.

CAPITAL INVESTMENT
£31m
 (2021: £33m)
 Capital investment includes the continued redevelopment of the Stephenson Building and spend on our sustainability projects.

UNDERLYING STAFF COSTS
£325m
 (2021: £312m)
 Underlying staff costs grew by 4% in 2022, reflecting growth in headcount and pay awards. Staff costs to total income ratio remained flat at 58%.

FTE
6,004
 (2021: 5,878)
 We continued to invest in people and our FTE grew by over 2% in the year, despite the challenges of the recruitment market.

Financial review *(continued)*



Expenditure

Total expenditure increased by £109m or 21%, to £639.6m on a statutory basis. This includes the impact of pension accounting adjustments and a fixed asset impairment of £4.4m. Ignoring these adjustments, underlying expenditure increased by 7% to £555.9m (2021: £517.4m).

Staff costs have increased on an underlying basis by £13.1m (4%) to £325.2m (2021: £312.1m) once adjusted for movements in pension schemes, holiday pay accruals and the impact of severance costs (Note 28). This represents 58% of our underlying income for the year, broadly consistent with prior year but in excess of our long-term target. Average FTE increased by 90 colleagues (2%) to a year-end position of 6,004 employees despite the ongoing challenges of recruitment.

Other operating costs of £192.6m are £24.7m (15%) higher than the prior year (2021: £167.9m), largely driven by a return to more normal operating conditions following the pandemic. To date we have been largely hedged against rises in utility costs although we still experienced a year-on-year rise of 18% and expect higher cost increases in future periods.

Depreciation decreased to £32.3m (2021: £32.8m) in the year. In addition, an impairment charge of £4.4m has been recognised in 2021-22 in relation to the write-down of a student accommodation site.

Capital investment

Capital additions during the year were £31m (2021: £33.3m). Our capital investment programme was paused during the pandemic and was recommenced during last year. In particular, we saw significant investment into the redevelopment of the Stephenson Building and further investment in our net-zero carbon aims across the estate.

Other notable capital projects included the final costs incurred on the redevelopment of The Henry Daysh Building, further investment in the Advanced Engineering Hub and commencement of works on the Sir Terry Farrell building, due to complete in late 2022.

There were no significant disposals of University assets during the year. At 31 July 2022, there were £43.7m of capital commitments (2021: £65.8m).

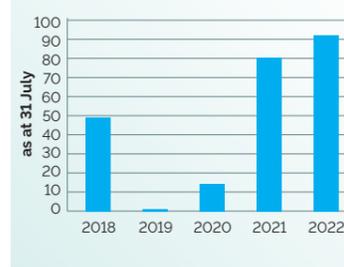
Cash and liquidity

Cash and cash equivalents, including short-term deposits, were £218.1m (2021: £207m) at the year end. We only place our money with banks and building societies which we consider to be secure, based on external benchmarks and in line with our treasury investment policy. We regularly review our investments and take action if we believe there is any deterioration in risk.

During the last year, it has been difficult to generate any significant return on these assets with the continued low-interest rate environment. Our focus has been on minimising risk.

Our net cash position, which includes the impact of borrowing and leases, improved from £80.9m to £92.3m. This was due to net cash generation in the year and the commencement of capital repayments on the main borrowing facility.

Net cash balance (£m)



Our endowment-related investments have realised around 12% fall in value (2021: 17% growth) across the year. This has substantially reversed prior year gains, ending the year with a value of £89.5m compared to £104.4m last year end. We seek to invest 80% of our endowment funds in equities and 20% in other asset classes.

We receive monthly performance reports from all our managers and Finance Committee meets formally with our active managers at least annually to review progress.

During the year, we have undertaken a selection process to identify new equity investment managers with a heavy focus on sustainable and ethical investments. We will undertake a transfer to new investment managers over the course of 2022-23.

Pensions

The University participates in two main pension schemes, the University Superannuation Scheme (USS), a multi-employer scheme operating across the Higher Education sector, and the Newcastle Retirement Benefits Plan (RBP), a local scheme for colleagues of the University.

For the USS scheme, we make a provision for the deficit recovery payments we are obliged to make. Following the conclusion of the 2020 USS valuation, the USS pension provision has increased

to £173.0m (2021: £74.8m). The increase of £98.2m represents the increased deficit recovery payments the University is obliged to make and has been excluded from underlying performance.

The RBP scheme is a local defined benefit pension scheme for which the final salary scheme was replaced with a career revalued benefit scheme in November 2021. The funding position of the RBP scheme has improved significantly during 2020-21 moving from deficit to surplus, which has been capped at £nil. An actuarial gain of £68.9m has been recognised mainly resulting from an improved discount rate used to value the scheme liabilities. There was a further improvement in the funding position due to the closure of the scheme to final salary accruals in October 2021, with the scheme providing Career Average Revalued Earnings (CARE) retirement benefits from November 2021. The closure to the final salary benefits accrual resulted in a decrease in the liabilities of £16.1m, which has been excluded from underlying performance.

Outlook and financial sustainability

The University has navigated through a very challenging period and remains in good financial health. There remain some uncertainties in relation to international student recruitment, commercial income streams and ongoing inflationary pressures. However, our plans support a path back to more meaningful operating surpluses in the medium-term and our strong closing cash position allows us to prepare for the next few years with confidence.

Home student fees are a significant proportion of University income, and in recent years have seen no inflationary increase. High inflation is quickly reducing the

value of home fees in real terms. This is a financial risk given that the cost base of the University carries inherent inflation, in particular energy, building, staff costs and other operating costs. The significant impact of inflationary pressures on our cost base puts pressure on our ability to generate surpluses to support re-investment. Failure to meet home and international student recruitment targets is a significant risk to financial sustainability.

We expect 2022-23 to be another challenging year financially as we aim to grow total income, in part by growth in international student recruitment, and manage through the significant cost inflation pressures we face.

Going concern

The University's Council has determined that the University has adequate resources to continue in operation for the foreseeable future.

To support the Council in making this assessment, a thorough review has been carried out including stress testing of assumptions and reverse stress testing in order to ensure appropriate headroom in the event of a plausible downside scenario. For this reason, these financial statements have been prepared on a going concern basis. Further detail is set out in the Statement of Accounting Policies on pages 59-63.

Charity status and Public Benefit Statement

In developing and overseeing the University's strategy and activities, Council has had due regard to the Charity Commission's guidance on public benefit. It is also aware that, because the University is charging high fees, it must make provision for those from lower income backgrounds to have the opportunity to benefit from the services provided.

The principal beneficiaries of the University's services are our students and the public at large. The Office for Students is the principal regulator for most English Higher Education Institutions and is the regulator for this University. Our statutes define the object of the University as 'for the public benefit, to advance education, learning and research'. Public benefit is embedded in our Vision and Strategy. The University takes seriously its commitment to ensure that it satisfies the Charity Commission's public benefit test that there be identifiable benefits and that the opportunity to benefit must not be unreasonably restricted. We have a range of schemes to encourage participation in our academic programmes by students from underrepresented socioeconomic groups and those from low-income households.

We alert all prospective and current students to the financial support opportunities, through our website, brochures, talks, workshops, mail shots, email, social media and digital screen reminders throughout the year. In addition, we have committed £25.7m through our Access and Participation Plan to student financial support for the next three years. In 2021-22, we provided £2.2m in means-tested scholarships to support 1,290 new undergraduate students from low-income families who might otherwise have been unable to afford the costs of going to university. This constituted 18.3% of our 7,044 full-time UK and EU undergraduate entrants in 2021. We also paid a further £5.2m to support 2,980 undergraduates continuing their studies. Total

undergraduate financial support of £7.4m for 4,270 students in 2021 saw a 6.3% decrease in scholarship expenditure. This decrease is in line with the Office for Students steer for universities to decrease Access and Participation Plan spend on scholarship support. We supported 39 mostly full-time taught postgraduates from widening participation backgrounds with scholarships of up to £5,000 to supplement the Postgraduate Masters' Loans available from the Student Loans Company.

During 2021-22, we awarded more than 9,500 undergraduate and postgraduate degrees.

We are the largest research university in the North East. During the calendar year 2021-22, our academic colleagues published 5,037 research articles, books, book chapters and conference proceedings, an increase from 4,912 the previous year.

Philanthropy

Newcastle University cherishes the power of active philanthropy as an inspirational force for good in the world. We see our donors as partners and friends, as part of our 'inner circle', and ensure that we treat them as such.

In 2021, the first, large-scale fundraising campaign in Newcastle University's history was launched, aiming to raise £300m over the next 10 years. The impact of *The Campaign for Newcastle University* was apparent when we celebrated the one-year anniversary of the Student Fund in 2022. The pandemic taught us that we need

to be able to respond to whatever situation students face and the Newcastle Student Fund exists to do just that. To date £370,000 has been raised, supporting students through a range of activities from Sanctuary Scholarships providing a safe community for students and academics affected by war, conflict and persecution to participation bursaries that help with the cost of club and society membership fees, trips, as well as sports kits and equipment.

In total, over £11m was donated in 2022, with donations ranging from sponsorship for challenges supported through Just Giving to transformational donations left as a legacy gift. This included support of more than £4.7m from the Newcastle University Development Trust, funding ongoing activity as well as enabling an expansion of the Sanctuary Scholarship programme.

Highlights of the philanthropy programme include the award of a new grant of £1.1m secured from the Wolfson Foundation to launch the first major biomedical engineering facility in the North of England. Significant donations have also been secured towards the Student Fund, including scholarships for medical students, care leavers and computing students from disadvantaged backgrounds. We are also pleased to have developed corporate philanthropic partnerships with companies including Ubisoft, PwC, Rogers Stirk Harbour and Partners, Arup, Leica Geosystems and Santander.



“The Building Futures Bursary made the difficult situation caused by Covid-19 a lot less stressful. I didn't have to worry about paying rent for my accommodation...and I could travel to access facilities on campus when restrictions allowed.”

Sumaiya, Building Futures Bursary recipient
Second year student, BA Honours Architecture

Philanthropy governance

We are passionate about the value of private giving in support of education. But at the same time, we are robust and transparent about who we accept donations from and for what purpose. In particular, we will always make sure that donations align with the mission and values of the University and that they do not compromise academic freedom.

Our policy for the Acceptance of Donations follows the 'Know your Donor' principles established by the UK Charity Commission.

This means that in relation to all our fundraising activity, the University takes reasonable steps to ensure that we:

- identify our donors so that we know who we are dealing with
- verify identity where reasonable and the risks are high
- know what the organisation's or individual's business is so that we can be assured this is appropriate for the University to be involved with
- watch out for unusual or suspicious activities, conduct or requests

This means that when donating to the University, our donors can be confident that we follow a consistent and transparent process in accepting donations.

All donations greater than £10,000 are expected to be accompanied by a Donation Agreement or equivalent. All donation agreements include the following statement: *Both the donor and the University affirm that this donation will complement the mission and values of the University and will not in any way constrain academic freedom.*

Corporate governance overview

This section provides an overview of the governance of the University, processes for ensuring the student voice is heard and for management of risk, Council's responsibilities and the arrangements to ensure sound internal controls are in place. As Chair of Council, I take a lead role in ensuring good governance is exercised by the University.

Paul Walker Chair of Council and Pro-Chancellor

Newcastle University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to universities from the Committee of University Chairs. The University is an independent corporation whose legal status derives from the Universities of Durham and Newcastle upon Tyne Act 1963 which, with its supporting statutes and schedules, sets out the University's objectives, powers and framework of governance.

The statutes require the University to have a number of separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities. Academic Board is a meeting of all academic and Professional Services colleagues on Grade E and above and receives an annual report from the Vice-Chancellor and President. Convocation is a meeting of the alumni and is the body that appoints the Chancellor. The Registrar acts as secretary of Council and Senate. Any enquiries about the constitution and governance of the University should be addressed to the Registrar. The University maintains a Register of Interests of Members of Council and Senior Officers, which are available online.

Senate

Senate is the academic authority of the University and draws its membership predominantly from academic colleagues and students. Its role is to direct and regulate the teaching and research work of the University. Senate met six times

during 2021-22 and in addition a joint meeting with Council also took place.

Court

Court is not part of the University's day-to-day decision-making processes, but plays an important and influential role on behalf of the University's stakeholders. Its membership is representative of the University, the local community and other organisations with an interest in the work of the University. It meets twice a year to receive a report from the Vice-Chancellor and President and to discuss any matters relevant to the interests and wellbeing of the University.

Council

Council is the supreme governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It is also responsible for the University's system of internal control and for reviewing its effectiveness, including the appropriateness of its arrangements for risk management and value for money. It keeps under regular review the performance of the University and makes use of key performance indicators to assist in this task. A statement of Council's primary responsibilities is provided on pages 46-47. Council undertakes regular reviews of its effectiveness using guidance given in *The Higher Education Code of Governance*. Halpin Partnership have been engaged by the University to carry out an external review of governance, the report is being considered by Council.

Members of Council subscribe to the *Office for Students' Public Interest Governance Principles*. In line with the code, Council has a Senior Independent Governor, Claire Morgan. The Senior Independent Governor helps to support good governance by advising the Chair and acting as an intermediary for other Board members. Council has a majority of members from outside the University (lay members) including three lay officers; Chair, a Vice-Chair and Treasurer. Members also include staff of the University and the student body. None of the lay members receive any payment, apart from reimbursed expenses, for the work they do for the University.

Council met six times during 2021-22. Amongst other matters and, in consultation with Senate, Council agreed to:

- approve the University's new Public Sector Equality Duty Objectives
- approve a three-year estate-wide solar photovoltaic installation programme to support the University's net-zero carbon target
- approve the establishment of a new Limited Liability Partnership with Genr8 Kajima Regeneration Limited for the regeneration of the Campus for Ageing and Vitality site
- endorse the University's draft submission for Race Equality Charter Bronze Accreditation
- approve the University's medium-term financial strategy to navigate through a challenging planning period

Council membership 2021-22

Ex officio members

Professor Chris Day (Vice-Chancellor and President)
Professor Julie Sanders (Deputy Vice-Chancellor and Provost)

Lay members

Paul Walker (Chair)¹
Heidi Mottram (Vice-Chair)¹
Angela Russell (Honorary Treasurer)

David Bird
Tom Caulker
Linda Conlon
Jonathan Glass
Dame Teresa Graham
Bill MacLeod
Claire Morgan
Dianne Nelmes
Marta Phillips (from January 2022)
Professor Sir Mike Rawlins
Pat Ritchie (from January 2022)
Nitin Shukla
Angela Woodburn
Vicky Wright (until December 2021)

Staff members

Dr Jan Deckers
Jo Geary
Dr Phillip Lord
Professor Daniel Siemens
Professor David Thwaites

Student members

Abbie Hutchinson (President, Students' Union)
Livia Scott (Education Officer, Students' Union)

¹ The Chair and Vice-Chair have had their total tenure on Council extended beyond a period of nine years (the normal maximum term as stated in the Chairs of University Committees Higher Education Code of Governance 2020). These exceptional arrangements were to support effective succession planning for the Chair and Vice-Chair roles, and were considered and approved by Nominations Committee and Council.

Much of the detailed work is routed through committees of Council. The following five committees are formally constituted as committees of Council with written terms of reference and specified membership, including a significant proportion of lay members. The decisions of these committees are reported to Council and, where relevant, Senate.

Audit, Risk and Assurance Committee

Audit, Risk and Assurance Committee is a committee of Council, comprising three lay members of Council and additional lay members. It meets five times each year with the University's internal and external auditors in attendance. The committee reviews the University's strategic risk management and the effectiveness of internal control systems by considering detailed reports together with recommendations for improvement, management responses and implementation plans. As part of its annual opinion, it also gives assurance about the management and quality of data to the OfS, Higher Education Statistics Agency and other public bodies.

Audit, Risk and Assurance Committee membership 2021-22

Lay members

Jonathan Glass (Chair)
David Bird
Dave Foreman
Mike Goodwin
Marta Phillips (from January 2022)
Dean White

Finance Committee

Finance Committee considers and recommends to Council the financial strategy for the University and advises on investments, determines the level of funding to be made available to support the annual budget allocations, approves the accounting policies and considers the financial statements. It also has overall responsibility for ensuring the appropriate management of taxation within the University.

Finance Committee membership 2021-22

Ex officio members

Angela Russell (Honorary Treasurer) (Chair)
Professor Chris Day (Vice-Chancellor and President)
Professor Julie Sanders (Deputy Vice-Chancellor and Provost)
Paul Walker

Lay members

Linda Conlon (from July 2022)
Stephen Lightley (until March 2022)
Bill MacLeod

Student members

Abbie Hutchinson (President, Students' Union)

Corporate governance overview *(continued)*

Nominations Committee

Nominations Committee makes recommendations to Council in respect of the appointment of lay members of Council, the offices of Chair and Vice-Chair of Council, Honorary Treasurer and members of the committees of Council.

Nominations Committee membership 2021-22

Ex officio members

Paul Walker (Chair of Council) (Chair)
 Professor Chris Day (Vice-Chancellor and President)
 Professor Julie Sanders (Deputy Vice-Chancellor and Provost)

Lay members

Hilary Florek (from May 2022)
 Heidi Mottram
 Dianne Nelmes
 Fiona O'Connor (until April 2022)
 Sarah Stewart
 Rob Williamson

Following recommendation by Nominations Committee, in July 2022 Council appointed two new members following an external recruitment exercise. In appointing new members, the intention remains to appoint high-calibre individuals with specific skills that are of value to the University and a commitment to the principles and future success of the University.

Prior engagement with the University via a committee or similar is an advantage before an individual joins the governing body but we actively seek to make appointments to improve our diversity and expertise using search agents where it is judged to be appropriate. Council benefits from a diversity of members and actively seeks to promote equality and diversity throughout the institution.

Remuneration Committee

Remuneration Committee considers the remuneration and terms and conditions of senior colleagues. More detail on the work of this committee is provided on pages 50-55.

University/Students' Union Partnership Committee

The University and the Students' Union have a joint Partnership Committee, constituted as a sub-committee of Council, chaired by the Vice-Chair of Council, Heidi Mottram. It meets regularly to discuss matters of common interest. This committee also discharges the University's obligations with regard to the Students' Union under the terms of the Education Act 1994 on behalf of Council.

Executive Board

Executive Board is the senior management team of the University and is formally designated as a joint committee of Council and Senate. It keeps under review the University's strategy and makes recommendations on the development of the strategy to Senate and Council. It develops and regularly reviews the activities, assesses the risks related to the delivery of these and ensures that appropriate measures are in place to assure the financial sustainability of the University. Executive Board reports on these matters regularly to Council. Through the monitoring undertaken by its Financial Monitoring and Budget Scrutiny Group and Budget Setting Group, Executive Board is also responsible for the use of resources and financial performance of all budgetary units. It has particular responsibility for value for money. The principal academic and administrative officer of the University is the Vice-Chancellor and President who has general

Executive Board membership 2021-22

Professor Chris Day (Vice-Chancellor and President – Chair)
 Professor Julie Sanders (Deputy Vice-Chancellor and Provost)
 Professor David Burn (Pro-Vice-Chancellor – Medical Sciences)
 Colin Campbell (Executive Director of Academic Affairs until 31 March 2022; Registrar from 1 April 2022)
 Justin Cole (Executive Director of External Relations)
 Nick Collins (Executive Director of Finance from December 2021)
 Richard Dale (Executive Director of Finance until December 2021)
 Professor Richard Davies (Pro-Vice-Chancellor – Global)
 Professor Stephanie Glendinning (Pro-Vice-Chancellor – Science, Agriculture and Engineering)
 Professor Nigel Harkness (Pro-Vice-Chancellor – Humanities and Social Sciences)
 John Hogan (Registrar until 31 March 2022)
 Adrienne McFarland (Executive Director of People Services until January 2022; Chief Operating Officer from 1 February 2022)
 Professor Jane Robinson (Pro-Vice-Chancellor – Engagement and Place)
 Professor Brian Walker (Pro-Vice-Chancellor – Research Strategy and Resources)
 Professor Tom Ward (Pro-Vice-Chancellor – Education)

responsibility for maintaining and promoting the efficiency and good order of the University. Under OfS registration conditions, the Vice-Chancellor and President is the accountable officer of the University. In that capacity he and the Chair of Council can be summoned to

appear before the Public Accounts Committee of the House of Commons. The Vice-Chancellor and President is also responsible for assuring the quality and accuracy of University data provided to the OfS, The Higher Education Statistics Agency (HESA) and other public bodies. As chief executive of the University, the Vice-Chancellor and President exercises considerable influence upon development of University strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Deputy Vice-Chancellor and Provost, Pro-Vice-Chancellors and senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with Council.

We would like to take this opportunity to thank the outgoing members of the Executive (Professor Julie Saunders, John Hogan and Adrienne McFarland) for the immense contributions they have made to the success of the University.

Health, safety and wellbeing

Reporting to Executive Board, University Health and Safety Committee oversees and manages the coordination of health and safety strategy and policy. The Committee includes a lay member appointed by Council (Tom Caulker), a member of Executive Board (Chief Operating Officer) and Trade Union Representatives. Progress in implementing the University's Health and Safety Strategic Plan is reported to Executive Board on a quarterly basis, and to Council on an annual basis. Routine health and safety work and accident and incident trends are reported to Executive Board each week.

2021-22 saw an increase in both the total accident rates for students and colleagues and the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)

accident rate. This is likely to be caused by an increase in on-site activity following working restrictions being reduced and removed. We continue to investigate and monitor accident and incident trends. We have completed 39 of 43 actions in the five-year Health and Safety Strategic Plan and one has been carried forward. In Year 4 of the plan 10 programmed actions are complete. We have identified two additional actions, which will be completed in the new academic year. There has also been continued progress in health and wellbeing, including the development of the recently approved Health and Wellbeing Strategy.

Sickness absence rates increased from 1.8% for 2020-21 to 2.9% in 2021-22.

Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to collect and publish, on an annual basis, a range of data in relation to our usage of and spend on Trade Union facility time in respect of our colleagues who are Trade Union representatives. The following information relates to the 12 months ended 31 March 2022.

Thirty colleagues acted as trade union representatives during that period and all spent up to 50% of their working hours on facility time. This totalled 5,179 hours and a total cost of £125,891 (0.04% of total staff costs). 1,760 hours were spent on paid trade union activities (34% of total facility time).

In February 2022, we were informed that University and College Union called upon its members to take a discontinuous period of strike action and a continuous period of action short of strike (ASOS) in support of its disputes over Universities Superannuation Scheme pensions and pay. The first period of strike action started on 14 February 2022 and lasted 10 days. 484

colleagues (11.2% of eligible colleagues) participated losing a total of 3,220 number of days. We had a subsequent period of strike action commencing 21 March 2022 for five days. 344 colleagues (8% of eligible colleagues) participated losing 1,192 number of days.

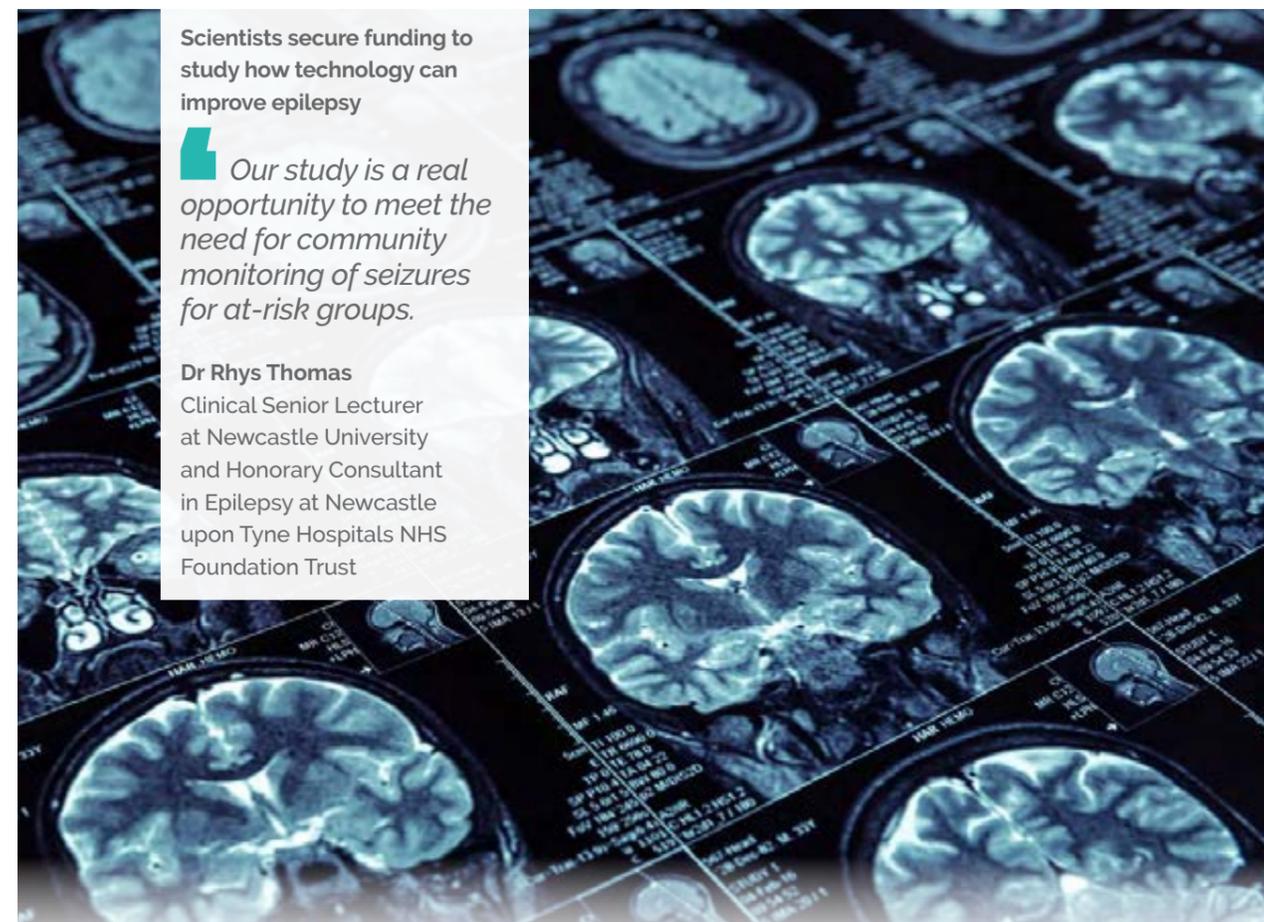
Slavery and human trafficking

The University has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Slavery and Human Trafficking Statement can be accessed on our website at [ncl.ac.uk/foi/publication-scheme/policies](https://www.ncl.ac.uk/foi/publication-scheme/policies)

Statement of Council Responsibilities

Council is the supreme governing body of the University, subject to the provisions of the University's statutes. The primary responsibilities of Council have been revised in light of the statement of primary responsibilities taken from the *Higher Education Code of Governance* published in September 2020 and are:

- to set and agree the mission, strategic vision and values of the institution with the Executive
- to agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially colleagues, students and alumni
- to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions
- to delegate authority to the Head of Institution for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Head of Institution
- to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest
- to establish processes to monitor and evaluate the performance and effectiveness of the governing body itself
- to conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life
- to safeguard the good name and values of the institution
- to appoint the Head of Institution as Chief Executive and to put in place suitable arrangements for monitoring their performance
- to appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability
- to be the employing authority for all colleagues in the institution and to be accountable for ensuring that an appropriate human resources strategy is established
- to be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate
- to be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion
- to receive assurance that adequate provision has been made for the general welfare of students
- to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution
- to ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen
- to promote a culture which supports inclusivity and diversity across the institution
- to maintain and protect the principles of academic freedom and freedom of speech legislation
- to ensure that all students and colleagues have opportunities to engage with the governance and management of the institution



Scientists secure funding to study how technology can improve epilepsy

Our study is a real opportunity to meet the need for community monitoring of seizures for at-risk groups.

Dr Rhys Thomas
Clinical Senior Lecturer at Newcastle University and Honorary Consultant in Epilepsy at Newcastle upon Tyne Hospitals NHS Foundation Trust

Responsibilities of Council in the Preparation of the Financial Statements

In accordance with the University's statutes, Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's statutes, the *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and accounting instructions prepared by the OfS. The University

prepares financial statements for each financial year, which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Council has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis

Council has taken reasonable steps to:

- ensure that funds from the OfS and Research England are used only for the purposes for which they have been given and in accordance with the OfS terms and conditions of funding 2021-22 and any other conditions which the OfS or Research England may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and prevent and detect fraud
- secure the economical, efficient and effective management of the University's resources and expenditure

Statement of Internal Controls

Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. The University's arrangements for the prevention and detection of fraud, bribery, corruption and other irregularities are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance against material misstatement or loss. The key elements of the University's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of, and the authority delegated to, heads of academic units and heads of administrative services
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- clearly defined and formalised requirements for approval and control of expenditure
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by Council and Finance Committee
- key performance and risk indicators, which are monitored by the senior management team (through Executive Board) on a regular basis. Appropriate action is taken to address performance issues and the outcome reported to Council

The approach to internal control is risk-based. There is an ongoing process designed to:

- identify the principal risks (whether business, operational, compliance or financial) to the achievement of policies, aims and objectives
- evaluate the nature and likelihood of principal risks becoming a reality, and the potential impact
- take steps to manage risks efficiently, effectively and economically

- review high-ranking risks (in terms of likelihood and impact) during the year
- make regular reports on internal control and risk to Council (as well as Executive Board and Audit, Risk and Assurance Committee) to assure it that procedures are in place for the identified risks to be managed

The University requires colleagues and all its lay members to act honestly and with integrity and to safeguard the public resources for which they are responsible. The University has a Policy and Procedure on Public Interest Disclosure (Whistleblowing) which encourages and enables employees to call out when they encounter or suspect malpractice. It provides protection for those making such disclosures who act in good faith consistent with the Public Interest Disclosure Act. No whistleblowing cases were raised internally during 2021-22.

Council is of the view that the University's risk management response has been appropriate.

The effectiveness of the system of internal control is regularly reviewed by Council and accords with the internal control guidance for directors in the Combined Code as deemed appropriate for higher education. It is informed also by a professional internal audit team, which complies with the professional

standards of the Chartered Institute of Internal Auditors. Internal audit coordinate their work appropriately with the external auditors and other assurance providers to help improve our internal controls and support the delivery of value for money. Senior management and Audit, Risk and Assurance Committee have also reviewed the performance of internal audit and are satisfied with it.

The Internal Audit Strategy and Plan is approved by the Audit, Risk and Assurance Committee. The senior management team and Audit, Risk and Assurance Committee receive regular internal audit reports (which include recommendations and actions for improvement) and an Internal Audit Annual Report, which is provided to Council. The Internal Audit Annual Report for 2021-22 includes the opinion that the University's arrangements for risk management, internal control, corporate governance and value for money are generally adequate and operating effectively, and can be relied upon by Council. A small number of fundamental findings have either been addressed or are being addressed by management.

We neither identified nor were given any cause to notify the OfS of any reportable events. From 1 January 2022, the Office for Students' revised definition of a reportable event came into effect (Regulatory Advice 16: Reportable events).

Public disclosure

Council membership, agenda, unreserved papers and minutes are all made publicly available on the University website ncl.ac.uk

Major incidents during the year

The pandemic continued to be a challenging threat to business continuity. Extensive measures were put in place to support all our students and follow all the health and safety protocols that were necessary. Our campuses in Malaysia and Singapore faced identical challenges and responded in similar ways. We have continued to make

extensive efforts to communicate to students, colleagues and stakeholders throughout the pandemic about the steps we are taking to maintain our provision of services, fulfil our primary purpose and maintain a safe environment.

The University and College Union (UCU) voted to engage in industrial action due to disputes related to pay and the Universities Superannuation Scheme. Following a period of industrial action in spring 2022 and a planned marking and assessment boycott, the University and the local UCU branch reached an agreement to review the number of fixed-term contracts and the

length of the working week which brought the industrial action and marking and assessment boycott to an end.

We have continued to pay particular attention to safety, mental health and wellbeing, academic delivery, student experience, student recruitment (in particular, international student recruitment), finances, IT and cyber security. This approach was discussed with and agreed by Council who paid special attention to issues of student mental health, international risks, the student experience, cyber security and financial sustainability.



Remuneration report

The Remuneration Report provides an overview of our approach to rewarding the members of the Executive Board and contains audited information required in line with the Accounts Direction issued by the Office for Students.

This year's Remuneration Report has been compiled having regard to guidance from the Committee of University Chairs (CUC) regarding pay policies and practices in British universities in relation to senior colleagues.

The University has now published its fifth Gender Pay Gap Report based on the statutory reporting period 1 April 2020 to 31 March 2021. The report included some extensive data analysis across gender, ethnicity and disability and has signposted areas where we need to look more closely at imbalance and underrepresentation. The Remuneration Committee will seek assurance that the University will continue to make positive steps to reduce the Gender, Ethnicity and Disability Pay Gap of those colleagues within its remit.

Claire Morgan Chair of Remuneration Committee

Unaudited information (pages 50-53)

Remuneration Committee

Remuneration Committee membership changed during the financial year due to the retirement of the Chair and the end of term for the Treasurer. Council approved the appointment of Angela Russell as Treasurer in June 2021, Claire Morgan as Chair and Pat Richie as a new member in June 2022. Nitin Shukla's appointment was also renewed for a further three years in June 2022.

Remuneration Committee membership 2021-22

Ex officio members

Paul Walker (Chair of Council)
Angela Russell (Honorary Treasurer)

Lay members

Claire Morgan (Chair)
Pat Richie
Nitin Shukla

Jacqueline Scott, Director of People Services is Secretary to the committee, and replaces Adrienne McFarland who took on a new role as Chief Operating Officer in February 2022.

The Vice-Chancellor and President is not a member of the Committee and attends meetings by invitation only. The Vice-Chancellor and President never attends meetings when their remuneration is being discussed.

Remuneration Policy for Executive Board

The Remuneration Committee sets the remuneration of the members of Executive Board. In doing so, the Committee takes account of a range of factors, including:

- roles and responsibilities
- University performance
- individual performance
- market conditions
- external comparison with Russell Group universities with income above £400m, utilising salary surveys as detailed below
- the negotiated national remuneration settlement for colleagues
- internal pay relativities

The Committee recognises the need for greater transparency of the approach to determining senior remuneration and follows the Higher

Education Senior Staff Remuneration Code when considering matters of Senior colleague remuneration.

An annual statement will be produced detailing specific matters of the Remuneration Committee each year.

The Committee makes use of a number of reliable information sources to help guide decisions on Executive Board remuneration including:

- the annual Russell Group survey of senior pay (produced by Korn Ferry)
- the Universities and Colleges Employers Association (UCEA) senior salary survey
- the annual CUC survey of Vice-Chancellors' remuneration

The Committee met in April and June 2022. It considered and approved the following:

- review of governance arrangements following the Chair attending Governance Training about the published independent review of the Senior Staff Remuneration Code by AdvanceHE in December 2020

- review of declared external interests and income of the Executive Board
- review of the Enhanced Opt Out Pensions Policy relating to colleagues who have met their LifeTime Allowance on Pensions
- review of the severance framework and details of colleagues severances within the remit of the Committee

- professorial pay levels and decisions reached by the Merit Awards Committee
- proposals in relation to Executive Board and Vice-Chancellor pay awards

Overall colleague costs

The table below shows the growth in total colleague costs over the past three years (costs exclude agency staff but include employer pension contributions). We have a long-term target of broadly 55% of underlying total income.

Data	Underlying colleague costs £m	Total underlying income £m	Underlying colleague costs as % of income
2018-19	290.5	526.1	55.2%
2019-20	309.7	536.1	57.8%
2020-21	312.1	536.4	58.2%
2021-22	325.2	558.3	58.2%

Ardhi University and Newcastle University researchers use a portable sequencer from Oxford Nanopore Technologies to characterise millions of bacteria via analysis of DNA isolated from water samples

Our aim was to bring these tools within reach of those facing the greatest water security challenges.

Professor David Werner, School of Engineering, Newcastle University



Remuneration report *(continued)*

Gender pay gap

We are in the fifth year of gender pay gap reporting, which also includes data on ethnicity and disability pay gaps. Our 2021 report indicated a further reduction of 0.3% in our mean gender pay gap from 18.1% to 17.8% and a further reduction in our median gender pay gap from 17% to 16.2%.

We recognise that there is still much more we need to do to make greater improvement in future years, however, the overall direction of travel remains a positive one as we recognise a 2.6% improvement in our mean gender pay gap and a 3.2% improvement in our median gender pay gap from 2017. This remains broadly consistent with other Russell Group universities. Our overall mean bonus pay gap reduced slightly from 77.5% to 76.5% and median overall increased by

32.3%. Clinical Excellence awards (CEAs) made to our colleagues by the local NHS Trust impacts this level. The CEAs coupled with the lack of bonus awards made due to pausing of discretionary pay reviews has contributed to this increase. This result is not representative of what would happen in a normal year of pay review cycles. We will continue to monitor this closely but expect a return to our previous position.

Our commitment to taking an intersectional approach to pay gap reporting means we continue to report and analyse both mean ethnicity and disability pay gaps, this year we have done more detailed analysis across occupational groupings.

Our 2021 data indicates that our ethnicity pay gap for non-clinical academic colleagues has remained static at 15.1% and for professional

services colleagues, 4.4% respectively. Whilst our mean pay gap for colleagues who have declared a disability has remained static at 13.1% (2020: 13.17%) and the median increased to 11.1% (2020: 8.4%).

Some of our pay gaps remain high and we recognise that there is still much more we need to do to make greater improvements. This year's extensive data analysis has signposted areas where we need to look more closely at gender, ethnicity or disability imbalance and underrepresentation. We will prioritise these to understand what further action we can take to reduce pay gaps. This will link firmly into both our Institutional Athena Swan Action Plan and Race Equality Charter Action Plan, and will help us to build a more equal, diverse and inclusive community at Newcastle University.

Our work will specifically look at increasing representation of underrepresented protected characteristic groups among professional services and academic colleagues. We will also focus on improving the progression of academic and professional service colleagues from protected characteristic groups into senior positions where underrepresentation has been identified.

The key actions we have taken during the last academic year to address our pay gaps include the following:

- creation of a dedicated EDI section within our external recruitment pages which details our commitment to EDI and gives a flavour of EDI activities taking place across the University
- inclusive recruitment offering commenced, including launch of a 'Gender Decoder' function as part of the SAP Success Factors Recruitment module. This system enhancement supports users by reviewing text in adverts and job descriptions to check for unconscious and subtle bias and makes suggestions of alternative language to support attracting diverse applications
- established a working group to oversee an application to the Disability Confident Scheme, which would give guaranteed interview to disabled applicants who meet the job criteria
- gained representation from postgraduate students in the Race Equality Charter Self-Assessment Team and Race Equality Charter Research Workstream to enable understanding and development of action to support postgraduates from minoritised ethnic background, including to progress into research careers

- commenced development of a more inclusive approach to talent and succession management, reinstating Leadership and Succession meetings and completing the first phase of a review of our development programmes to align with EDI goals
- took positive action through piloting an 'Inclusive Futures' leadership programme for colleagues from a minoritised ethnic background in partnership with Common Purpose. The programme included Allyship training for participants' managers and career coaching for participants

This year we have also made some enhancements to academic promotions process including:

- streamlining of the application form and enhanced guidance, including the reduction in the use of metrics as evidence
- improved web presence for promotions and early and increased number of promotions briefings to support awareness and understanding of the process
- provided guidance for each Academic Unit to create a promotions advisory group so individuals can seek advice and guidance from them
- developed consistent training for committee members which will include guidance on the responsible use of metrics
- extended the personal circumstances process so that applicants could note Covid-related, or other impacts and developed guidance for the impact of the pandemic on preparation of teaching and support with personal circumstances disclosures

Equitable reward and recognition highlights included:

- developed and published our Equal Pay Policy and embarked on the first stage of our Equal Pay Audit, which resulted in a detailed analysis of all our reward data across age, disability, ethnicity and gender
- reviewed our discretionary pay review practices and established more consistency between academic and professional services pay review processes, ensuring opportunities for pay increases and bonuses were available at every grade when the annual processes commenced early in 2021
- creation of Covid 'Impact Statement' to capture how colleagues feel that their opportunity for pay progression may have been impacted as a result of the pandemic and enabled this to be taken into account
- recognition scheme has been refreshed to offer a wider range of recognition awards for colleagues nominated under this scheme and transitioned to a digital platform



Students dig into the history of much-loved artist and naturalist, Thomas Bewick

It's really fun to be back filming with the crew of The Great British Dig, and even better to have some of our students involved.

Dr Chloë Duckworth,
Reader in Archaeological Science, Newcastle University and presenter of The Great British Dig

Remuneration report *(continued)*

Audited information (pages 54-55)

Payments to key management personnel	2021-22 £m	2020-21 £m
Key management personnel compensation: Salary and benefits (including employer's pension contributions)	3.0	2.6

Payments to key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Colleague costs shown in the accounts include compensation paid to key management personnel. We define key management personnel as the members of our Executive Board, details of membership can be found on page 44.

Severance payments

We pay due regard to the *Guidance on decisions taken about severance payments in HEIs* published by the Committee of University Chairs (CUC), we paid a total of £0.5m to 103 former colleagues in respect of loss of office (2020-21: £0.7m to 147 former colleagues).

Remuneration for the Vice-Chancellor and President

The Remuneration Committee reviews the remuneration of the Vice-Chancellor and President annually. This follows a review of personal and institutional performance undertaken by the

Chair of Council. Professor Day's salary is determined according to a number of factors including but not limited to:

- the breadth of leadership responsibilities for one of the UK's largest universities consisting of almost 30,000 students based in campuses across the UK, Malaysia and Singapore
- the financial responsibilities of an institution with annual income of more than £550m and almost 6,500 colleagues
- the accountability for sustaining a high-quality educational experience for students and a world-leading research portfolio

Professor Day, as with all colleagues, received a salary increase in August 2021 in line with the UCEA JNCHES National Pay Bargaining decision of 1.5% cost of living increase.

From 1 January 2018, Professor Day ceased active membership of the USS pension scheme under their enhanced opt-out arrangements. As a result, he receives an allowance equivalent to the employer's contribution for future accrual

(subject to the normal deductions of income tax and National Insurance). The University is also required to pay a deficit recovery contribution of 6.3% of salary to the USS pension scheme (shown within the employer pension contributions in the following table outlining the Vice-Chancellor and President's remuneration). The difference in the amounts of employer contribution from 2020-21 to 2021-22 is due to increases to deficit recovery costs, NI costs and USS contribution rates.

The Vice-Chancellor and President's basic salary is 9.3 times the median basic salary of colleagues (2020-21: 9.3) where the median basic salary is calculated on a full-time equivalent basis for the salaries paid by the University to its colleagues.

Remuneration for the Vice-Chancellor and President	2021-22 £'000	2020-21 £'000
Salary	328.0	323.1
Allowance in lieu of pension contributions	41.5	50.5
Benefits in kind	-	-
Total remuneration	369.5	373.6
Employer pension contributions	18.3	6.5
Total staff costs	387.8	380.1

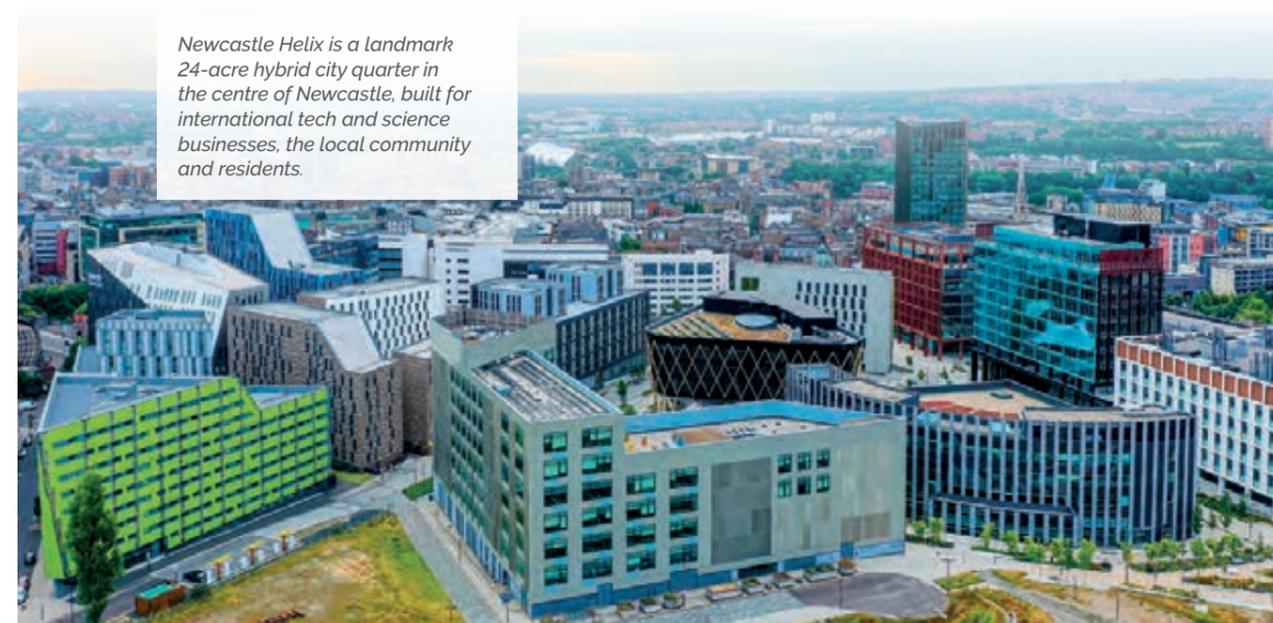
The Vice-Chancellor and President's total remuneration is 9.4 times the median total remuneration of colleagues (2020-21: 9.2) where the median

total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its colleagues.

Higher paid colleagues

The number of colleagues with a full-time equivalent basic salary of over £100,000 per annum, broken down into bands of £5,000, is shown below.

Salary Band	Clinical	Non-Clinical	2021-22 Total	2020-21 Total
£100,000-£104,999	13	25	38	26
£105,000-£109,999	13	12	25	18
£110,000-£114,999	7	11	18	30
£115,000-£119,999	17	7	24	22
£120,000-£124,999	8	7	15	19
£125,000-£129,999	10	3	13	11
£130,000-£134,999	3	4	7	3
£135,000-£139,999	7	1	8	8
£140,000-£144,999	3	6	9	11
£145,000-£149,999	13	4	17	9
£150,000-£154,999	5	-	5	5
£155,000-£159,999	1	1	2	1
£160,000-£164,999	-	5	5	2
£165,000-£169,999	1	1	2	4
£170,000-£174,999	2	3	5	1
£175,000-£179,999	-	1	1	2
£180,000-£184,999	1	1	2	1
£320,000-£324,999	-	-	-	1
£325,000-£329,999	1	-	1	-
	105	92	197	174



Newcastle Helix is a landmark 24-acre hybrid city quarter in the centre of Newcastle, built for international tech and science businesses, the local community and residents.

Independent Auditor's Report

to the Council of Newcastle University

Opinion

We have audited the financial statements of Newcastle University ('the parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Statement of Accounting Policies, Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Cash Flow Statement and the related Notes 1 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent institution's state of affairs as at 31 July 2022, and of the Group's and parent institution's income and expenditure, gains and losses and changes in reserves and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and Office for Students requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the group and

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent institution's ability to continue as a going concern for a period to 31 July 2024.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the Integrated Annual Report, other than the financial statements and our auditor's report thereon. The Council is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students

In our opinion, based on the work undertaken in the course of the audit, in all material respects:

- funds from whatever source administered by Newcastle University have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the applicable Terms and conditions attached to them; and
- the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you where:

- the University's grant and fee income, as disclosed in Note 1 to the financial statements, has been materially misstated
- the University's expenditure on access and participation activities for the financial year has been materially misstated

Responsibilities of the Council

As explained more fully in the Statement of the Council's Responsibilities set out on page 46, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the institution and management.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the University and determined that the most significant are Office for Students Terms and conditions of funding for higher education institutions, FRS 102 and the Statement of Recommended Practice for Further and Higher Education
- we understood how Newcastle University is complying with those frameworks by making inquiries of management, internal audit and those charged with governance to understand policies and procedures in place for compliance with legal and regulatory frameworks. We corroborated this understanding through our review of the University's Council minutes and through the inspection of relevant policies, employee handbooks and other information

- we assessed the susceptibility of the University and Group financial statements to material misstatement, including how fraud might occur by understanding the potential incentives and pressures for management to manipulate the financial statements, and performed procedures to understand the areas in which this would most likely arise

- based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: inquiring of management, internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the University's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- our procedures also included discussions amongst the engagement team regarding how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified the potential for fraud in the following areas: revenue recognition and management override of controls

Independent Auditor's Report

to the Council of Newcastle University *(continued)*

In addition to the above, our procedures to respond to the identified risks included the following:

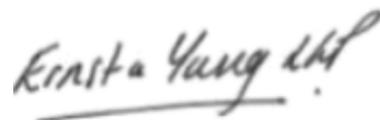
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- reading minutes of meetings of those charged with governance and the University Council;
- in addressing the risk of management override of controls we tested specific journal entries identified by analysing the entire population of data in the general and identifying transactions which did not follow the expected processing patterns. For each journal selected, we tested specific transactions back to source documentation to confirm that the journals were authorised and accounted for appropriately. We reviewed significant accounting estimates for management bias and noted that we did not identify any significant unusual transactions in the financial statements;

- in addressing the risk of improper recognition of revenue we performed a substantive analytical review over tuition fee income and focused our testing on those items of income that fell outside of our expectations. We tested a sample of research income and education contracts (including any associated deferred income) to assess performance-related conditions and recognition in the correct year. For a sample of deferred income items (also covering additions and releases), we confirmed that income had been recognised in the correct financial year and that conditions had been met. We also tested a sample of income transactions before and after the year end to confirm that they had been recorded in the correct financial year

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council of Newcastle University, as a body, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Newcastle University and the Council as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLP
Edinburgh
20 December 2022

Statement of Principal Accounting Policies

1. Accounting convention

The Consolidated and University 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 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the terms and conditions of funding for higher education institutions issued by the Office for Students and the terms and conditions of the Research England grant.

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

2. Basis of preparation

The financial statements are prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The University's principal operations, together with the factors likely to affect its future development and financial position are noted in the Vision and Strategy, Strategic and Operational Review and Financial Review sections.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest one hundred thousand (£0.1m) except when otherwise indicated.

Going concern

At 31 July 2022, the Group held cash, cash equivalents and short-term deposits of £218.1m with robust measures in place to monitor and manage cash balances. Borrowings, which are all unsecured, were £100.6m (Note 19) and lease obligations were £25.2m (Note 27). We complied with all covenant requirements for existing borrowing and compliance with measures required by OfS at 31 July 2022. Subsequent to the year end, the Group held cash, cash equivalents and short-term deposits of £279.9m at 31 October 2022 and no further borrowing had been put in place.

Student recruitment in autumn 2022 is in line with the budget set for the year giving confidence in our forecast income receipts. Inflationary pressures continue to give us cause for concern, however the budget for the year includes prudent assumptions of the impact of inflation on pay and non-pay costs. We have not identified any factors indicating a material adverse performance to the approved budget. We forecast the University will retain significant liquidity throughout the period to 31 July 2023 and for the financial years beyond that date and forecast significant headroom in covenant compliance at 31 July 2023 and 31 July 2024.

Council has reviewed financial forecasts, including plans for future student recruitment, as well as the plans and processes in place which will help the University move towards the achievement of its strategy. In particular, it is satisfied that academic strategies take account of the environment in which the University is operating as an institution and are financially sustainable. Council have considered cash flow forecasts from the date of approval of these financial statements to 31 July

2024, a period of 19 months. After reviewing these forecasts Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2024. The scenarios modelled include the following key assumptions.

For the severe but plausible downside scenario:

- no growth in international undergraduate tuition fees
- 30% reduction in home postgraduate tuition fees
- 5% non-pay inflation increase
- 1% staff costs inflation increase

The University also has a number of mitigating actions it can take to reduce costs should they be required, some of which the University can implement at short notice as it had to do when the pandemic first hit. These scenarios show that the University remains financially sustainable with sufficient available cash balances. The scenario modelling has also demonstrated that the University will still have sufficient headroom within the financial covenants in place. In addition, universities are required to report to the OfS if their liquidity falls below 30 days operating expenditure. This equates to a minimum cash balance of at least £50m for the University, as supported by the scenario modelling it is at no risk of needing to make a report to the OfS.

As a consequence of the above, Council have a reasonable expectation that the University has adequate resources to continue in operational existence for the going concern period. Therefore, Council continue to adopt the going concern basis of accounting in preparing the Financial Statements.

Statement of Principal Accounting Policies *(continued)*

3. Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2022. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the year-end date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

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

The consolidated financial statements do not include the results of the University of Newcastle upon Tyne Development Trust as it is a separate charity which manages its funds independently of the University. Although the University nominates some of the trustees, it has no control over the Trust's decisions.

Associated companies and joint ventures are accounted for using the equity method.

5. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of

Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Education contracts are recognised when the University is entitled to the 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.

Grant funding

Grant funding including funding council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments.

Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds.

Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

- restricted donations: the donor has specified that the donation must be used for a particular objective
- 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
- restricted expendable endowments: the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital
- 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

Donations of tangible assets are included within income. Paragraph PBE34.73(b) of FRS 102 requires income from donations of tangible assets to be measured at the fair value of the tangible asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category. Income from expendable endowments is recognised to the extent of the related expenditure during the year. Permanent endowments are managed on a total return basis. The entire investment

return is included in the Statement of Comprehensive Income to the extent of the related expenditure during the year.

Capital grants

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

6. Accounting for retirement benefits

The two principal pension schemes for the University's colleagues are the Universities Superannuation Scheme (USS) and the University of Newcastle upon Tyne Retirements Benefits Plan (1971) (RBP) which is an Exempt Approved Scheme under the Finance Act 1970. RBP is a defined benefit scheme. USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of both RBP and USS are held in separate trustee-administered funds. Each fund is valued every three years by professionally qualified independent actuaries.

A small number of colleagues remain in other pension schemes.

USS is a multi-employer scheme. Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the

deficit), and the resulting expense is recognised as expenditure.

The RBP scheme's assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on AA-rated corporate bonds. The post-retirement benefit surplus or deficit is included on the University's Statement of Financial Position, net of the related amount of deferred tax. Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the scheme. The current service cost and any past service costs are included in expenditure within staff costs. The interest income on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within investment income or interest and other finance costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

7. Employment benefits

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

8. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic

rate of interest on the remaining balance of the liability.

9. Operating leases

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

10. Foreign currency

University

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. Foreign exchange differences arising on translation are recognised as a surplus or deficit.

Group

The assets and liabilities of foreign subsidiary undertakings are translated to sterling at the rate of exchange ruling at the year-end date. The revenues and expenses of foreign subsidiary undertakings 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. The exchange difference arising on the retranslation of opening net assets is taken to Other Comprehensive Income. All other exchange differences are recognised as a surplus or deficit for the year.

11. Property, plant and equipment

Land and buildings

Land and buildings are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Freehold land was revalued to fair value on transition to the 2015 SORP, and is measured on the basis of deemed cost, being the revalued amount at the 31 July 2014 transition date.

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

Statement of Principal Accounting Policies *(continued)*

Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings and major refurbishments are depreciated on a straight-line basis over their expected useful lives to the University, by components (where appropriate) as follows:

Structure	50 years
Fit-out	20 years
Mechanical/ electrical services	15 years

Expenditure relating to subsequent replacement of components is capitalised as incurred.

Short-leasehold buildings are depreciated over the shorter of the lease term and the expected life of the asset.

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

Equipment

Equipment costing less than £25,000 per individual item or group of related items and all software costs are recognised as expenditure. All other equipment is capitalised.

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

Research vessel	25 years
General equipment	4 to 10 years
Equipment acquired for specific research projects	project life (generally 3 years)
Leases equipment	period of lease

Depreciation methods, useful lives and residual values are reviewed at each year end.

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

Borrowing costs

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets but are recognised as expenditure in the period in which they are incurred.

12. Intangible assets

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Intangible assets purchased are initially recognised at cost and amortised on a straight-line basis over five years representing the estimated useful life of the assets. They are subject to periodic impairment reviews as appropriate.

13. Investments

Non-current asset investments that are not listed on a recognised stock exchange are carried at historical cost, less any provision for impairment in their value.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's separate financial statements.

14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

15. Cash and cash equivalents

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

Cash equivalents are short-term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

16. Short-term liquid deposits

Short-term liquid deposits are term deposits maturing more than three months after placement.

17. Provisions

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
- 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.

18. Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Comprehensive Income.

19. Taxation

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

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered

against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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 Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK corporation tax in respect of income or capital gains received within categories covered by Sections 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 expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

20. Financial instruments

The University applies the provisions of Sections 11 and 12 of FRS 102 in full. The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 Section 11.8.

21. Reserves

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

22. Critical accounting estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Pension schemes

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 the University's defined benefit plan, RBP. 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 and sensitivity analysis are included in Note 29.

The University is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised a provision for the discounted fair value of the contractual contributions under the recovery plan in existence at the year-end date. In order to calculate the liability various assumptions, such as the discount rate, future staff increases, and salary inflation are required. Given the long-term nature of the plan, such estimates and assumptions are subject to significant uncertainty. The key assumptions made and sensitivity analysis are included in Note 29.

Accruals and provisions

Various accruals and provisions are recorded within the accounts, the most significant being the holiday pay accrual and the international tax provision. The estimates used to establish accruals and provisions are based on historical experience, information from external professionals, and other facts and reasonable assumptions under the circumstances.

Useful economic lives of tangible assets

Tangible assets represent a significant proportion of the University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

Impairments

Management make judgements as to whether any indicators of impairment are present for any of the University's assets. Where there is a change of use or future capital plans, such as is the case for University's accommodation, a calculation of the recoverable amount is undertaken and where required an impairment booked.

Consolidated and University Statement of Comprehensive Income

for the year ended 31 July 2022

INCOME	Note	CONSOLIDATED		UNIVERSITY	
		2022 £m	2021 £m	2022 £m	2021 £m
Tuition fees and education contracts	2	286.9	292.9	270.9	276.3
Funding body grants	3	78.6	81.2	78.6	81.2
Research grants and contracts	4	109.6	99.6	109.6	99.6
Other income	5	68.0	56.1	68.8	60.0
Investment income	6	1.7	1.1	1.5	1.0
Donations and endowments	7	13.8	5.5	13.8	5.5
Total income		<u>558.6</u>	<u>536.4</u>	<u>543.2</u>	<u>523.6</u>
EXPENDITURE					
Staff costs before USS pension and RBP curtailment adjustments	8	327.9	324.0	320.6	316.0
RBP curtailment credit	8	(16.1)	–	(16.1)	–
Movement in USS pension liability	8	97.5	0.1	97.5	0.1
Total staff costs		<u>409.3</u>	<u>324.1</u>	<u>402.0</u>	<u>316.1</u>
Other operating expenses	9	192.6	167.9	187.8	167.4
Depreciation	13	32.3	32.8	31.1	31.6
Interest and other finance costs	10	5.4	5.8	3.4	3.8
Total expenditure	11	<u>639.6</u>	<u>530.6</u>	<u>624.3</u>	<u>518.9</u>
(Deficit)/surplus before other gains/losses and share of deficit of joint ventures and associate		(81.0)	5.8	(81.1)	4.7
Gain on disposal of tangible assets		–	0.1	–	0.1
Loss on impairment of non-current assets		(4.4)	–	(4.4)	–
(Loss)/gain on investments	21	(12.3)	17.2	(12.3)	17.2
Share of deficit in joint ventures	15	(0.4)	(2.1)	–	–
Share of deficit in associate	16	(0.1)	(0.1)	–	–
(Deficit)/surplus before tax		<u>(98.2)</u>	<u>20.9</u>	<u>(97.8)</u>	<u>22.0</u>
Taxation	12	(0.6)	0.2	(0.1)	–
(Deficit)/surplus for the year		<u>(98.8)</u>	<u>21.1</u>	<u>(97.9)</u>	<u>22.0</u>
OTHER COMPREHENSIVE INCOME					
Actuarial gain in respect of pension scheme	29	68.9	27.4	68.9	27.4
Total comprehensive (expenditure)/income for the year		<u>(29.9)</u>	<u>48.5</u>	<u>(29.0)</u>	<u>49.4</u>
Represented by:					
Endowment comprehensive (expenditure)/income for the year	21	(14.2)	14.6	(14.2)	14.6
Restricted comprehensive income for the year	22	0.2	0.2	0.2	0.2
Unrestricted comprehensive (expenditure)/income for the year		(15.9)	33.7	(15.0)	34.6
Attributable to the University		<u>(29.9)</u>	<u>48.5</u>	<u>(29.0)</u>	<u>49.4</u>

All items of income and expenditure arise from continuing operations.

Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2022

CONSOLIDATED	Income and expenditure account			Total excluding non-controlling interest £m	Non- controlling interest £m	Total £m
	Endowment £m	Restricted £m	Unrestricted £m			
Balance at 1 August 2020	87.2	0.6	354.2	442.0	0.1	442.1
Surplus/(deficit) for the year	17.9	6.0	(2.8)	21.1	–	21.1
Other comprehensive income	–	–	27.4	27.4	–	27.4
Release of endowment and restricted funds spent	(3.3)	(5.8)	9.1	–	–	–
Total comprehensive income for the year	<u>14.6</u>	<u>0.2</u>	<u>33.7</u>	<u>48.5</u>	<u>–</u>	<u>48.5</u>
Balance at 1 August 2021	101.8	0.8	387.9	490.5	0.1	490.6
Surplus/(deficit) for the year	(10.0)	7.2	(96.0)	(98.8)	–	(98.8)
Other comprehensive income	–	–	68.9	68.9	–	68.9
Release of endowment and restricted funds spent	(4.2)	(7.0)	11.2	–	–	–
Total comprehensive income/ (expenditure) for the year	<u>(14.2)</u>	<u>0.2</u>	<u>(15.9)</u>	<u>(29.9)</u>	<u>–</u>	<u>(29.9)</u>
Balance at 31 July 2022	<u>87.6</u>	<u>1.0</u>	<u>372.0</u>	<u>460.6</u>	<u>0.1</u>	<u>460.7</u>
UNIVERSITY	Income and expenditure account			Total excluding non-controlling interest £m	Non- controlling interest £m	Total £m
	Endowment £m	Restricted £m	Unrestricted £m			
Balance at 1 August 2020	87.2	0.6	366.0	453.8	–	453.8
Surplus/(deficit) for the year	17.9	6.0	(1.9)	22.0	–	22.0
Other comprehensive income	–	–	27.4	27.4	–	27.4
Release of endowment and restricted funds spent	(3.3)	(5.8)	9.1	–	–	–
Total comprehensive income for the year	<u>14.6</u>	<u>0.2</u>	<u>34.6</u>	<u>49.4</u>	<u>–</u>	<u>49.4</u>
Balance at 1 August 2021	101.8	0.8	400.6	503.2	–	503.2
Surplus/(deficit) for the year	(10.0)	7.2	(95.1)	(97.9)	–	(97.9)
Other comprehensive income	–	–	68.9	68.9	–	68.9
Release of endowment and restricted funds spent	(4.2)	(7.0)	11.2	–	–	–
Total comprehensive income/ (expenditure) for the year	<u>(14.2)</u>	<u>0.2</u>	<u>(15.0)</u>	<u>(29.0)</u>	<u>–</u>	<u>(29.0)</u>
Balance at 31 July 2022	<u>87.6</u>	<u>1.0</u>	<u>385.6</u>	<u>474.2</u>	<u>–</u>	<u>474.2</u>

Consolidated and University Statement of Financial Position

as at 31 July 2022

	Note	CONSOLIDATED		UNIVERSITY	
		2022 £m	2021 £m	2022 £m	2021 £m
NON-CURRENT ASSETS					
Tangible assets	13	609.8	615.3	592.2	597.9
Investments	14	89.8	104.7	93.5	108.4
Investment in joint ventures	15	3.9	4.3	–	–
Investment in associate	16	0.3	0.4	–	–
		<u>703.8</u>	<u>724.7</u>	<u>685.7</u>	<u>706.3</u>
CURRENT ASSETS					
Stocks in hand		1.3	1.1	1.3	1.1
Trade and other receivables	17	59.9	49.2	75.6	63.3
Short-term liquid deposits		72.2	72.1	72.2	72.1
Cash and cash equivalents	23	145.9	134.9	133.4	125.2
		<u>279.3</u>	<u>257.3</u>	<u>282.5</u>	<u>261.7</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	18	(205.3)	(201.1)	(200.0)	(195.8)
PROVISIONS					
		–	(0.7)	–	(0.7)
NET CURRENT ASSETS					
		<u>74.0</u>	<u>55.5</u>	<u>82.5</u>	<u>65.2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>777.8</u>	<u>780.2</u>	<u>768.2</u>	<u>771.5</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	19	(144.1)	(136.7)	(121.0)	(115.4)
PENSION PROVISIONS					
	20	(173.0)	(152.9)	(173.0)	(152.9)
TOTAL NET ASSETS					
		<u>460.7</u>	<u>490.6</u>	<u>474.2</u>	<u>503.2</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	80.4	93.4	80.4	93.4
Income and expenditure reserve – restricted reserve	22	1.0	0.8	1.0	0.8
UNRESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	7.2	8.4	7.2	8.4
Income and expenditure reserve – unrestricted reserve		372.0	387.9	385.6	400.6
		<u>460.6</u>	<u>490.5</u>	<u>474.2</u>	<u>503.2</u>
NON-CONTROLLING INTEREST					
		0.1	0.1	–	–
TOTAL RESERVES					
		<u>460.7</u>	<u>490.6</u>	<u>474.2</u>	<u>503.2</u>

The accompanying statement of principal accounting policies and Notes 1 to 32 form part of these financial statements.

The financial statements were approved by Council on 12 December 2022 and signed on its behalf by:

C P Day
Vice-Chancellor and President

A M Russell
Treasurer

N M Collins
Executive Director of Finance

Consolidated Cash Flow Statement

for the year ended 31 July 2022

	Note	2022 £m	2021 £m
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit)/surplus before taxation		(98.2)	20.9
Taxation		(0.6)	0.2
(Deficit)/surplus after taxation		<u>(98.8)</u>	<u>21.1</u>
Adjustment for non-cash items			
Depreciation	13	32.3	32.8
Loss/(gain) on investments	21	12.3	(17.2)
Increase in stock		(0.2)	(0.1)
Increase in debtors		(10.5)	(0.1)
Increase in creditors		15.6	46.0
Decrease in provisions		(0.7)	(5.3)
Increase in pension provision/asset		89.0	10.5
Share of deficit in joint ventures	15	0.4	2.1
Share of deficit in associate	16	0.1	0.1
Adjustment for investing or financing activities			
Investment income	6	(1.7)	(1.1)
Interest payable		3.8	3.9
Endowment income	21	(1.7)	(0.1)
Gain on disposal of tangible assets		–	(0.1)
Impairment of non-current assets		4.4	–
Capital grant income		(3.1)	(2.3)
		<u>41.2</u>	<u>90.2</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of tangible assets		–	2.8
Capital grants receipts		3.1	2.3
Proceeds from sale of endowment investments		2.5	7.1
Payments made to acquire endowment investments		–	(5.0)
Investment income		1.5	1.2
Profit distribution from joint venture		–	3.0
Payments made to acquire tangible assets		(31.0)	(33.3)
New investment in joint ventures and associate		(0.1)	(0.1)
Increase in short-term liquid deposits		(0.1)	(28.0)
		<u>(24.1)</u>	<u>(50.0)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1.8)	(1.9)
Interest element of finance lease		(2.0)	(2.5)
Endowment cash received	21	1.7	–
New unsecured loans		–	2.9
Repayments of amounts borrowed		(4.0)	–
		<u>(6.1)</u>	<u>(1.5)</u>
INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		<u>11.0</u>	<u>38.7</u>
Cash and cash equivalents at beginning of the year	23	134.9	96.2
Cash and cash equivalents at end of the year	23	145.9	134.9

Notes to the Financial Statements

1 SOURCE OF GRANT AND FEE INCOME

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
The source of grant and fee income, included in Notes 2 to 3 is as follows:				
Grant income from the Office for Students	28.9	29.3	28.9	29.3
Grant income from other bodies	49.7	51.9	49.7	51.9
Fee income for taught awards	268.0	274.5	252.0	258.0
Fee income for research awards	13.1	12.4	13.1	12.3
Fee income from non-qualifying courses	5.8	6.0	5.8	6.0
	<u>365.5</u>	<u>374.1</u>	<u>349.5</u>	<u>357.5</u>

2 TUITION FEES AND EDUCATION CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Full-time students	171.5	178.9	171.5	178.3
Full-time students charged overseas fees, UK taught	90.6	89.2	90.6	89.2
Full-time students charged overseas fees, overseas taught	16.0	16.0	–	–
Part-time fees	3.0	2.8	3.0	2.8
Research training support grants	4.4	4.4	4.4	4.4
Short courses	1.4	1.6	1.4	1.6
	<u>286.9</u>	<u>292.9</u>	<u>270.9</u>	<u>276.3</u>

3 FUNDING BODY GRANTS

	CONSOLIDATED AND UNIVERSITY	
	2022	2021
	£m	£m
Recurrent grant	63.6	63.7
Specific grants	11.0	11.4
Capital Investment Framework (CIF) grants	4.0	6.1
	<u>78.6</u>	<u>81.2</u>

Funding was provided by the Office for Students and Research England.

4 RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED AND UNIVERSITY	
	2022	2021
	£m	£m
Research councils	32.0	31.7
UK charities	25.6	24.1
UK government	29.1	22.9
European Commission	10.1	10.4
Other grants and contracts	12.8	10.5
	<u>109.6</u>	<u>99.6</u>

5 OTHER INCOME

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Residences, catering and conferences	19.7	13.1	19.7	13.1
Other services rendered	20.9	18.5	20.9	18.5
Health authorities	8.8	8.0	8.8	8.0
Other capital grants	0.3	0.2	0.3	0.2
Other income	18.3	16.3	17.3	15.4
Income from subsidiary companies	–	–	1.8	4.8
	<u>68.0</u>	<u>56.1</u>	<u>68.8</u>	<u>60.0</u>

Contained within Other income is an amount of £77,605 (2021: £1,194,114) which relates to income received under the Coronavirus Job Retention Scheme and an amount of £nil (2021: £133,280) received from the Department of Health and Social Care under the project Covid costs for Undergraduate Dental Students.

6 INVESTMENT INCOME

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Investment income on endowments (Note 21)	0.6	0.6	0.6	0.6
Other investment income	1.1	0.5	0.9	0.4
	<u>1.7</u>	<u>1.1</u>	<u>1.5</u>	<u>1.0</u>

7 DONATIONS AND ENDOWMENTS

	CONSOLIDATED AND UNIVERSITY	
	2022	2021
	£m	£m
New endowments net of transfers out from expendable endowments (Note 21)	1.7	0.1
Donations with restrictions	6.9	5.4
Unrestricted donations	5.2	–
	<u>13.8</u>	<u>5.5</u>

8 STAFF

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Staff costs				
Salaries	233.7	230.9	226.6	223.1
Social security costs	24.8	23.0	24.6	22.8
Other pension costs (Note 29)	63.4	61.6	63.4	61.6
RBP pension service cost adjustment (Note 20)	6.0	8.5	6.0	8.5
Total before USS pension and RBP curtailment adjustments	<u>327.9</u>	<u>324.0</u>	<u>320.6</u>	<u>316.0</u>
RBP curtailment credit	(16.1)	–	(16.1)	–
Movement on USS provision (Note 20)	97.5	0.1	97.5	0.1
	<u>409.3</u>	<u>324.1</u>	<u>402.0</u>	<u>316.1</u>

Further audited information and disclosures as required by the Office for Students Accounts direction are included in the Remuneration Report on pages 50–55.

Staff numbers

	2022	2021
	Average FTEs	Average FTEs
Academic	1,764	1,726
Support	3,205	3,158
Research	982	977
	<u>5,951</u>	<u>5,861</u>

Notes to the Financial Statements *(continued)***9 OTHER OPERATING EXPENSES**

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Professional fees and bought-in services	50.2	50.3	49.3	49.6
Staff-related expenditure	17.1	7.2	16.7	9.0
Student scholarships, bursaries and prizes	25.8	25.4	25.7	25.3
Consumables and laboratory expenditure	16.6	14.4	16.1	14.1
Non-capitalised equipment purchases and maintenance	19.1	18.1	18.8	18.1
Operating lease rentals – land and buildings	6.8	6.9	6.6	6.7
Rents, rates and insurance	5.6	3.8	4.8	2.9
Heat, light, water and power	11.7	9.9	11.4	9.7
Building maintenance	9.6	7.0	9.5	7.2
Books and periodicals	6.9	6.9	6.9	7.0
NHS and agency staff	6.6	4.5	6.6	4.5
Communications, advertising and publicity	3.1	2.3	2.7	1.9
Students' Union annual subvention	2.2	2.4	2.2	2.4
Other expenditure	11.3	8.8	10.5	9.0
	<u>192.6</u>	<u>167.9</u>	<u>187.8</u>	<u>167.4</u>

Professional fees and bought-in services include auditor's remuneration in respect of audit services for the Group of £212,755 to Ernst & Young LLP (2021: £159,760) and for the University of £170,400 (2021: £118,200) as well as £21,600 (2021: £21,600) for the Group to Azets Audit Services (formerly mha Tait Walker). In respect of non-audit services remuneration amounted to £9,550 (2021: £11,880) for the Group and £7,800 (2021: £11,880) for the University.

10 INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Loan interest	1.8	1.9	1.8	1.9
Finance lease interest	2.0	2.0	–	–
Net charge on pension schemes (Note 29)	1.6	1.9	1.6	1.9
	<u>5.4</u>	<u>5.8</u>	<u>3.4</u>	<u>3.8</u>

11 ANALYSIS OF EXPENDITURE BY ACTIVITY

	CONSOLIDATED				2022	2021
	Staff Costs	Other Operating Expenses	Depreciation	Interest and Other Finance Costs		
	£m	£m	£m	£m	£m	£m
Academic schools	180.4	39.3	3.9	–	223.6	214.2
Academic services	29.2	28.5	0.8	–	58.5	56.3
Administration and central services	34.2	51.3	–	–	85.5	80.8
Premises	11.6	31.1	20.3	1.9	64.9	62.2
Residences, catering and conferences	4.0	6.4	4.5	–	14.9	12.9
Research grants and contracts	57.2	32.2	–	–	89.4	82.7
Other expenditure	92.7	3.8	2.8	3.5	102.8	21.5
Total	<u>409.3</u>	<u>192.6</u>	<u>32.3</u>	<u>5.4</u>	<u>639.6</u>	<u>530.6</u>

Administration and central services and research grants and contracts include £23.8m (2021: £23.3m) and £1.9m (2021: £2.0m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

	UNIVERSITY				2022	2021
	Staff Costs	Other Operating Expenses	Depreciation	Interest and Other Finance Costs		
	£m	£m	£m	£m	£m	£m
Academic schools	174.0	32.7	2.9	–	209.6	203.4
Academic services	29.1	28.4	0.8	–	58.3	57.1
Administration and central services	34.2	51.3	–	–	85.5	81.5
Premises	11.3	33.1	20.1	–	64.5	59.7
Residences, catering and conferences	4.0	6.4	4.5	–	14.9	13.1
Research grants and contracts	57.2	32.2	–	–	89.4	82.7
Other expenditure	92.2	3.7	2.8	3.4	102.1	21.4
Total	<u>402.0</u>	<u>187.8</u>	<u>31.1</u>	<u>3.4</u>	<u>624.3</u>	<u>518.9</u>

Administration and central services and research grants and contracts include £23.8m (2021: £23.3m) and £1.9m (2021: £2.0m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

12 TAXATION

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Malaysian corporation tax at 24%	0.5	0.3	–	–
Malaysian withholding tax at 8%	0.1	–	0.1	–
United Kingdom corporation tax at average rate of 19%	–	(0.5)	–	–
	<u>0.6</u>	<u>(0.2)</u>	<u>0.1</u>	<u>–</u>

Notes to the Financial Statements *(continued)*

13 TANGIBLE ASSETS

	CONSOLIDATED					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold	Leasehold				
£m	£m	£m	£m	£m	£m	
Cost						
Balance at 1 August 2021	617.6	155.0	21.5	34.7	116.4	945.2
Additions	–	–	–	25.6	5.4	31.0
Foreign exchange retranslation	–	1.4	–	–	–	1.4
Transfers from assets under construction	31.3	–	–	(31.3)	–	–
Disposals	–	–	–	(1.2)	–	(1.2)
Balance at 31 July 2022	648.9	156.4	21.5	27.8	121.8	976.4
Depreciation						
Balance at 1 August 2021	130.9	82.9	12.7	–	103.4	329.9
Charge for year	20.1	4.5	1.0	–	6.7	32.3
Impairment	4.4	–	–	–	–	4.4
Balance at 31 July 2022	155.4	87.4	13.7	–	110.1	366.6
Net Book Value						
At 31 July 2022	493.5	69.0	7.8	27.8	11.7	609.8
At 1 August 2021	486.7	72.1	8.8	34.7	13.0	615.3

At 31 July 2022, freehold land and buildings included £79.4m (2021: £79.4m) in respect of freehold land which is not depreciated. The net book value of assets held under finance leases at 31 July 2022 is £16.1m (2021: £15.5m) and the related depreciation charge for the year was £0.8m (2021: £0.8m).

	UNIVERSITY					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold	Leasehold				
£m	£m	£m	£m	£m	£m	
Cost						
Balance at 1 August 2021	616.5	133.4	19.4	34.6	114.5	918.4
Additions	–	–	–	25.6	5.4	31.0
Transfers from assets under construction	31.3	–	–	(31.3)	–	–
Disposals	–	–	–	(1.2)	–	(1.2)
Balance at 31 July 2022	647.8	133.4	19.4	27.7	119.9	948.2
Depreciation						
Balance at 1 August 2021	130.9	76.8	11.5	–	101.3	320.5
Charge for year	20.1	3.7	0.7	–	6.6	31.1
Impairment	4.4	–	–	–	–	4.4
Balance at 31 July 2022	155.4	80.5	12.2	–	107.9	356.0
Net Book Value						
At 31 July 2022	492.4	52.9	7.2	27.7	12.0	592.2
At 1 August 2021	485.6	56.6	7.9	34.6	13.2	597.9

The University holds a number of collections, exhibits and artefacts, most of which have been donated or bequeathed to the University. These assets are not considered Heritage Assets as defined in the SORP and therefore have no value attributed to them in the financial statements.

14 NON-CURRENT INVESTMENTS

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Shares in subsidiary undertakings at cost less amounts written off				
At 1 August	–	–	3.7	3.6
Other movements in year	–	–	–	0.1
At 31 July	–	–	3.7	3.7
Other investments other than loans at cost				
At 1 August	0.3	0.3	0.3	0.4
Other movements in year	–	–	–	(0.1)
At 31 July	0.3	0.3	0.3	0.3
Fixed interest stock and equities relating to endowments	89.5	104.4	89.5	104.4
Total fixed asset investments	89.8	104.7	93.5	108.4

Shares in subsidiary undertakings

Details of the companies in which Newcastle University holds an interest are as follows:

Name of Company	Country of Registration	Holding		Nature of Business
		of Ordinary Shares %		
NUMed Malaysia sdn bhd	Malaysia	100		Provision of tertiary courses focusing on medical education in Malaysia.
Newcastle Primary and Specialist Care Clinic sdn bhd	Malaysia	100		A company providing medical services.
NUInternational Singapore pte Limited	Singapore	100		Collaborative teaching and research in Singapore.
Newcastle Research & Innovation Institute pte Limited	Singapore	100		Postgraduate teaching and research in Singapore.
Newcastle University Holdings Limited	England and Wales	100		Operates as a holding company only.
Newcastle University Ventures Limited	England and Wales	100		Provides support for the commercial development of research and consultancy.
Newcastle University London LLP	England and Wales	100		Provided education and accommodation for students, dormant at year end.
Newcastle University Developments Limited	England and Wales	100		Provides construction services to the University.
Newcastle University Pension Trustee (1971) Limited	England and Wales	100		Provides a corporate trusteeship for the University Retirement Benefits Plan.
Newcastle ISC Limited	England and Wales	100		Acts as a holding company for INTO Newcastle University LLP and INTO Newcastle University London LLP.
Newcastle University Enterprises Limited (*)	England and Wales	100		This company is dormant.
NUINTO Limited	England and Wales	51		Provides the teaching of English language skills.
Zero Carbon Futures (UK) Limited	England and Wales	100		Provides green energy solutions.

(*) For the year ended 31 July 2022 Newcastle University Enterprises Limited (CRN:06331269) was exempt from the requirement to prepare individual accounts by virtue of section 394A of the Companies Act 2006 relating to dormant subsidiaries.

The registered address for all subsidiaries registered in England and Wales is:
King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU

The registered address for all subsidiaries registered in Singapore is:
172A Ang Mo Kio Avenue 8 #05-01, SIT Building at Nanyang Polytechnic, Singapore 567739

The registered address for all subsidiaries registered in Malaysia is:
Suite1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim, Malaysia

Notes to the Financial Statements *(continued)***14 NON-CURRENT INVESTMENTS (continued)****University membership in companies limited by guarantee:**

The Russell Group

Newcastle Science Company Limited

Universities UK

North East Universities Purchasing Consortium (NEUPC)

Centre for Innovation Excellence in Livestock

Centre for Crop Health and Protection

The Academic Health Science Network for the North East and North Cumbria

Other investments other than loans

	Voting Rights %	CONSOLIDATED		UNIVERSITY	
		2022 £m	2021 £m	2022 £m	2021 £m
N8 Limited	12.5	–	–	–	–
CVCP Properties PLC	1.3	0.3	0.3	0.3	0.3
		<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>

Name of Company/Registered Office

N8 Limited

Firth Court, Western Bank, Sheffield S10 2TN

CVCP Properties PLC

Woburn House, 20 Tavistock Square, London WC1H 9HQ

Nature of Business

Receives funds and allocates them for the purpose of education and research.

Operation Woburn House, Central London utilised by Higher Education Sector organisations.

The University has direct minor shareholdings in a number of other companies, including spin outs, which are not material to these financial statements. Shares in associated undertakings and other investments held by subsidiary companies are disclosed in the financial statements of those companies.

15 INVESTMENT IN JOINT VENTURES

Name of Company/Registered Office	Holding of Ordinary Shares %	Nature of Business	2022	2021
			£m	£m
INTO Newcastle University LLP One Gloucester Place, Brighton, United Kingdom BN1 4AA	49	A joint venture between the University and INTO University Partnerships Limited. The company's principal activity is the provision of pre-University education and residential accommodation for international students.		
Newcastle Science Central LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	50	A joint venture between the University and Newcastle City Council. The company's principal activity is the sale and lease of land for the development of the Newcastle Helix site in Newcastle upon Tyne.		
Newcastle Science Central Management LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	50	A joint venture between the University and Newcastle City Council. The company's principal activity is the sale and lease of land for the development of the Newcastle Helix site in Newcastle upon Tyne.		
Newcastle Science Central Developments LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	33.3	A joint venture between the University, Newcastle City Council and Legal & General which aims to market the Newcastle Helix site to create a global centre for urban innovation in Newcastle.		
Newcastle Genr8 Kajima LLP 10 St Giles Square, London, United Kingdom WC2H 8AP	50	A joint venture between the University and Genr8 Kajima Newcastle Limited. The company's principal activity is the development of the Newcastle Centre for Ageing and Vitality site in Newcastle upon Tyne. Incorporated on 23 March 2022, there was no activity in the year under review.		

Share of operating deficits:

INTO Newcastle University LLP	(0.2)	(0.6)
INTO Newcastle University London LLP	–	(0.6)
Newcastle Science Central LLP	–	(0.1)
Newcastle Science Central Management LLP	(0.1)	(0.7)
Newcastle Science Central Developments LLP	(0.1)	(0.1)
	<u>(0.4)</u>	<u>(2.1)</u>

Share of gross assets:

INTO Newcastle University LLP	6.3	6.2
Newcastle Science Central LLP	2.5	2.5
Newcastle Science Central Management LLP	5.6	5.6
Newcastle Science Central Developments LLP	0.8	0.7
	<u>15.2</u>	<u>15.0</u>

Share of gross liabilities:

INTO Newcastle University LLP	(7.1)	(6.7)
Newcastle Science Central LLP	(2.4)	(2.4)
Newcastle Science Central Management LLP	(1.1)	(1.0)
Newcastle Science Central Developments LLP	(0.7)	(0.6)
	<u>(11.3)</u>	<u>(10.7)</u>

Share of net assets/(liabilities):

INTO Newcastle University LLP	(0.8)	(0.5)
Newcastle Science Central LLP	0.1	0.1
Newcastle Science Central Management LLP	4.5	4.6
Newcastle Science Central Developments LLP	0.1	0.1
	<u>3.9</u>	<u>4.3</u>

Notes to the Financial Statements *(continued)*

16 INVESTMENT IN ASSOCIATE

Name of Company/Registered Office	Holding of Ordinary Shares %	Nature of Business		
			2022 £m	2021 £m
Tyne Pressure Testing Limited 11 Glasshouse St, Newcastle upon Tyne, Tyne and Wear NE6 1BS	24	Principal activity is the creation of a Centre of Excellence for Hyperbaric Testing in the Newcastle area.		
			(0.1)	(0.1)
			2.4	2.4
			(2.1)	(2.0)
			0.3	0.4

17 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2022 £m	2021 £m	2022 £m	2021 £m
Research grants receivable	20.1	19.5	20.1	19.5
Other trade receivables	19.3	15.2	19.1	15.0
Amounts owed by subsidiary undertakings	–	–	18.2	17.2
Prepayments and accrued income	17.7	11.3	17.4	10.9
Other debtors	2.8	3.2	0.8	0.7
	59.9	49.2	75.6	63.3

Contained within consolidated other debtors is an amount of £412,000 (2021: £412,000) due from Tyne Pressure Testing Limited which is repayable after more than one year.

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2022 £m	2021 £m	2022 £m	2021 £m
Obligations under finance leases (Note 27)	2.2	2.0	–	–
Fixed-term, unsecured loans	5.8	4.1	5.8	4.1
Research collaborator creditors	46.9	52.4	46.9	52.4
Other creditors	8.8	6.5	8.5	6.2
Social security and other taxation payable	11.4	11.1	11.4	11.0
Accruals and deferred income	130.2	125.0	127.4	122.1
	205.3	201.1	200.0	195.8

Deferred income

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

	CONSOLIDATED		UNIVERSITY	
	2022 £m	2021 £m	2022 £m	2021 £m
Research grants received on account	54.7	53.9	54.7	53.9
Tuition fees and education contracts	1.1	0.6	1.1	0.6
Funding body grants	0.8	1.2	0.8	1.2
Other income	19.0	15.3	19.0	15.3
Donations	0.1	0.1	0.1	0.1
	75.7	71.1	75.7	71.1

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2022 £m	2021 £m	2022 £m	2021 £m
Fixed-term, unsecured loans	94.8	98.8	94.8	98.8
Accruals and deferred income	26.3	16.7	26.2	16.6
Obligations under finance leases (Note 27)	23.0	21.2	–	–
	144.1	136.7	121.0	115.4

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2022 £m	2021 £m
The fixed-term unsecured loans are repayable in accordance with the following profile:			
Infrastructure and refurbishment loan due within one year	1.87	4.0	4.0
Heat Networks Investment Project loan due within one year	0.19	0.1	0.1
Salix-Public Sector Decarbonisation Scheme loan due within one year	–	1.7	–
Fixed-term, unsecured loans repayable within one year (Note 18)		5.8	4.1

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2022 £m	2021 £m
Infrastructure and refurbishment loan due after one year but not more than five years	1.87	16.0	16.0
Heat Networks Investment Project loan due after one year but not more than five years	0.19	0.5	0.4
Infrastructure and refurbishment loan due after more than five years	1.87	76.0	80.0
Heat Networks Investment Project loan due after more than five years	0.19	2.3	2.4
Fixed-term, unsecured loans repayable after more than one year		94.8	98.8
		100.6	102.9

20 PENSION PROVISIONS

	CONSOLIDATED AND UNIVERSITY		
	Obligations to fund deficit on USS Pension (Note 29) £m	RBP defined benefit obligation/(asset) (Note 29) £m	Total pension provisions/(asset) £m
At 1 August 2021	74.8	78.1	152.9
Increase/(decrease) in staff costs	97.5	(10.1)	87.4
Pension finance interest charge	0.7	0.9	1.6
Actuarial gain	–	(68.9)	(68.9)
Obligation at 31 July 2022 (Note 29)	173.0	–	173.0

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme to make deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels and salary inflation for the duration of the contractual obligation.

The adoption of the new deficit recovery plan following the 2020 actuarial valuation has given rise to a significant increase in the deficit provision which has increased from £74.8m to £173.0m.

Notes to the Financial Statements *(continued)*

21 ENDOWMENT RESERVES

	CONSOLIDATED AND UNIVERSITY					
	Unrestricted	Restricted	Restricted	Restricted	2022	2021
	Permanent	Permanent	Expendable	Total	Total	Total
	£m	£m	£m	£m	£m	£m
At 1 August						
Capital	2.8	18.5	15.7	34.2	37.0	38.3
Unapplied return	5.6	38.2	21.0	59.2	64.8	48.9
	<u>8.4</u>	<u>56.7</u>	<u>36.7</u>	<u>93.4</u>	<u>101.8</u>	<u>87.2</u>
New endowments	–	0.7	1.0	1.7	1.7	0.1
Decrease/(increase) in market value of investments	(0.9)	(7.0)	(4.4)	(11.4)	(12.3)	17.2
Income	–	0.4	0.2	0.6	0.6	0.6
Expenditure	(0.3)	(2.0)	(1.9)	(3.9)	(4.2)	(3.3)
	<u>(1.2)</u>	<u>(7.9)</u>	<u>(5.1)</u>	<u>(13.0)</u>	<u>(14.2)</u>	<u>14.6</u>
At 31 July	<u>7.2</u>	<u>48.8</u>	<u>31.6</u>	<u>80.4</u>	<u>87.6</u>	<u>101.8</u>
Analysis by type of purpose						
Regional Chairs Benefaction	–	24.0	–	24.0	24.0	27.2
Chairs, fellowships, lectureships	–	5.9	2.7	8.6	8.6	9.0
Research support	–	2.8	10.7	13.5	13.5	12.8
Lectures	–	0.3	1.3	1.6	1.6	1.9
Scholarships and bursaries	–	6.9	9.2	16.1	16.1	20.6
Prizes and travel awards	–	2.3	5.5	7.8	7.8	12.8
General	7.2	6.6	2.2	8.8	16.0	17.5
	<u>7.2</u>	<u>48.8</u>	<u>31.6</u>	<u>80.4</u>	<u>87.6</u>	<u>101.8</u>

The Regional Chairs Benefaction is an endowment which funds medical school posts.

Analysis by asset

Fixed interest stock and equities				89.5	104.4
Other current balances				(1.9)	(2.6)
				<u>87.6</u>	<u>101.8</u>

22 RESTRICTED RESERVES

	Capital	Other	2022	2021
	grants and	grants and		
	donations	donations	Total	Total
	£m	£m	£m	£m
Reserves with restrictions are as follows:				
Balances at 1 August 2021	0.2	0.6	0.8	0.6
New grants	0.3	–	0.3	0.6
New donations	0.2	6.7	6.9	5.4
Capital grants utilised	(0.7)	–	(0.7)	(0.6)
Expenditure	–	(6.3)	(6.3)	(5.2)
Total restricted comprehensive income/(expenditure) for the year	<u>(0.2)</u>	<u>0.4</u>	<u>0.2</u>	<u>0.2</u>
At 31 July 2022	<u>–</u>	<u>1.0</u>	<u>1.0</u>	<u>0.8</u>

23 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2022	2021	2022	2021
	£m	£m	£m	£m
Cash at bank and in hand	56.2	47.4	43.7	37.7
Investments maturing less than three months after placement	89.7	87.5	89.7	87.5
	<u>145.9</u>	<u>134.9</u>	<u>133.4</u>	<u>125.2</u>

24 CONSOLIDATED RECONCILIATION OF NET CASH

	At 1 August	Cash	Other At 31 July	
	2021	Flows	Changes	2022
	£m	£m	£m	£m
Cash at bank and in hand	134.9	11.0	–	145.9
Short-term investments	72.1	0.1	–	72.2
Debt due within one year	(4.1)	4.0	(5.7)	(5.8)
Debt due after one year	(98.8)	–	4.0	(94.8)
Finance leases due within one year	(2.0)	–	(0.2)	(2.2)
Finance leases due after one year	(21.2)	–	(1.8)	(23.0)
	<u>80.9</u>	<u>15.1</u>	<u>(3.7)</u>	<u>92.3</u>

25 CAPITAL COMMITMENTS

	CONSOLIDATED AND UNIVERSITY	
	2022	2021
	£m	£m
Commitments contracted at 31 July	<u>43.7</u>	<u>65.8</u>

26 CONTINGENT LIABILITIES

The University has entered into an agreement to underwrite the rental payments due by one of the University's joint venture undertakings, linked to a city-centre student accommodation building, for 26 years. In exchange for this guarantee, the University received a cash premium of £10.5m. Given the demand for on-campus student accommodation, the University deems the possibility of an outflow under the guarantee as remote.

27 LEASE OBLIGATIONS

	CONSOLIDATED	
	2022	2021
	£m	£m
Amounts due under finance leases:		
Amounts payable		
Within one year	2.2	2.0
In two to five years	9.7	8.6
In more than five years	39.8	39.0
	<u>51.7</u>	<u>49.6</u>
Less: finance charges allocated to future periods	(26.5)	(26.4)
	<u>25.2</u>	<u>23.2</u>
Annual rentals under operating lease commitments are as follows:	2022	2021
	£m	£m
Leases expiring		
In two to five years	0.4	0.3
Over five years	5.6	5.7
	<u>6.0</u>	<u>6.0</u>

Notes to the Financial Statements *(continued)*

28 ALTERNATIVE PERFORMANCE MEASURES

	CONSOLIDATED	
	2022 £m	2021 £m
Underlying income		
Total income	558.6	536.4
Capital grants	(0.3)	(0.2)
Underlying income	<u>558.3</u>	<u>536.2</u>
Underlying staff costs		
Total staff costs	409.3	324.1
Decrease/(increase) in accrued holiday pay	3.8	(2.7)
Severance costs	(0.5)	(0.7)
USS pension cost adjustment (Note 20)	(97.5)	(0.1)
RBP pension cost adjustment (Note 20)	10.1	(8.5)
Underlying staff costs	<u>325.2</u>	<u>312.1</u>
Underlying surplus before tax		
(Deficit)/surplus before tax	(98.2)	20.9
Loss/(gain) on investments (Note 21)	12.3	(17.2)
USS pension cost adjustment (Note 20)	97.5	0.1
RBP curtailment credit (Note 8)	(16.1)	–
Share of deficit in joint ventures and associate	0.5	2.2
Impairment of investment in joint ventures	–	0.7
Loss on impairment of non-current assets (Note 13)	4.4	–
Underlying surplus before tax	<u>0.4</u>	<u>6.7</u>
Underlying EBITDA		
Underlying surplus before tax	0.4	6.7
Interest and other finance costs (Note 10)	5.4	5.8
Depreciation (Note 13)	32.3	32.8
Underlying EBITDA	<u>38.1</u>	<u>45.3</u>

29 PENSION ARRANGEMENTS

The University participates in two main pension schemes, the Retirements Benefits Plan (1971) (RBP) and Universities Superannuation Scheme Limited (USS).

The University also has a small number of staff in the National Health Service Pension Scheme (NHSPS) and in Nest (the Government's auto enrolment scheme). The total cost of NHSPS was £2.5m (2021: £2.2m). The total cost of Nest was £0.2m (2021: £0.2m).

The total pension cost for the University was:

	2022 £m	2021 £m
Contributions to USS	52.1	49.5
Contributions to RBP	8.6	9.7
Contributions to other pension schemes	2.7	2.4
Other pensions cost (Note 8)	63.4	61.6
Movement on USS provision	97.5	0.1
RBP Pension service cost adjustment	5.3	7.0
Guaranteed Minimum Pension equalisation	–	0.1
RBP curtailment credit	(16.1)	–
Administration costs	0.7	1.4
Pensions costs included in staff costs	<u>150.8</u>	<u>70.2</u>
Pension finance interest (Notes 10 and 20)	1.6	2.0
Pension cost including pension finance interest	152.4	72.2
Actuarial gain relating to the RBP scheme	(68.9)	(27.4)
Total pension cost	<u>83.5</u>	<u>44.8</u>

RBP

RBP is an Exempt Approved Scheme under the Finance Act 1970. It is established under irrevocable trusts and its assets are kept strictly separate from those of the University.

The Plan is a funded, defined benefits scheme which closed to final salary accruals on 31 October 2021 and from 1 November 2021 provides Career Average Revalued Earnings (CARE) retirement benefits. The closure to accrual of further final salary benefits impact the past service liabilities of employees who were active members of the Plan at 31 October 2021. As a result of this curtailment there was a remeasurement of the pension expense and Statement of Financial Position as at 31 October 2021 which resulted in a decrease in the liabilities of £16.1m, which has been treated as a past service credit.

The total pension credit (excluding interest) to the University was £1.5m (2021: charge of £18.2m). The contribution payable by the University was 21.95% of pensionable salaries until 31 October 2021 and 17.4% from 1 November 2021 in respect of the CARE accrual. Active members pay a contribution of 6.75% of pensionable salaries. There were no outstanding contributions at the year-end date.

The expected employer contribution to the Plan during the next accounting year is £6.0m and the expected current service cost is £8.6m.

A full actuarial valuation was carried out as at 1 August 2019 and updated to 31 July 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	31 July 2022	31 July 2021
Discount rate at year end	3.50%	1.70%
Future salary increases	3.25%	3.20%
RPI inflation	3.00%	3.00%
CPI inflation	2.55%	2.50%
The current life expectancies on retirement at age 65 years are:		
Females currently aged 65 years	24.1	22.8
Males currently aged 65 years	20.6	19.6
Females currently aged 45 years	23.2	24.0
Males currently aged 45 years	19.9	20.6

Notes to the Financial Statements *(continued)***29 PENSION ARRANGEMENTS (continued)**

The year-end liability is calculated to include an estimated uprating of current and deferred pension benefits in relation to the pension increases provided by the scheme. This is based on market expectations for RPI and CPI inflation at 31 July 2022 and allows for the caps that apply under the scheme regulations. The actual increases will reflect actual future published rates of inflation subject to the relevant caps and may be subject to change on finalisation. Any changes from the assumed rate will be accounted for as actuarial adjustments in future years.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice. The assumptions noted on page 81 relate to average expectations over the future lifetime of the scheme and therefore are based on longer-term estimations. Sensitivities on the pension liability can be found on page 83.

The assets in the scheme were:

	Value at 31 July 2022 £m	Asset Allocation %	Value at 31 July 2021 £m	Asset Allocation %
Equities	69.0	23	142.2	42
Bonds	95.9	32	103.3	30
Property	34.0	11	11.8	3
Absolute return fund	21.6	7	69.8	20
LDI fund	74.1	25	–	–
Cash	5.6	2	15.7	5
Fair value of assets	300.2		342.8	
Present value of obligations	(300.2)		(420.9)	
Funded status	–		(78.1)	
Net pension asset/(liability)	–		(78.1)	

Analysis of the amount shown in the Statement of Financial Position

	2022 £m	2021 £m
Present value of obligations	300.2	420.9
Fair value of plan assets	300.2	342.8
Funded status	–	(78.1)

Analysis of the amount charged to operating surplus

	2022 £m	2021 £m
Operating cost		
Current service cost	13.9	16.7
Administration costs	0.7	1.4
Past service (credit)/cost (including curtailments)	(16.1)	0.1
Financing cost		
Interest on net defined benefit liability	0.9	1.4
	(0.6)	19.6

Total operating (credit)/charge**Amounts recognised in Other Comprehensive Income (OCI)**

	2022 £m	2021 £m
Asset (losses)/gains arising during the year	(46.4)	25.5
Liability gains arising during the year	125.5	1.9
Asset ceiling adjustment	(10.2)	–
Actuarial gain recognised in OCI	68.9	27.4

29 PENSION ARRANGEMENTS (continued)**Change in defined benefit obligation**

	2022 £m	2021 £m
Opening defined benefit obligation	420.9	408.4
Service cost	13.9	16.7
Interest cost	7.1	6.3
Actuarial gains	(125.5)	(1.9)
Past service (credit)/cost (including curtailments)	(16.1)	0.1
Contribution by members	0.4	0.3
Benefits paid	(10.7)	(9.0)
Asset ceiling adjustment	10.2	–
Closing defined benefit obligation	300.2	420.9

Change in fair value of plan assets

	2022 £m	2021 £m
Opening fair value of plan assets	342.8	312.8
(Losses)/gains on assets	(46.4)	25.5
Interest income on plan assets	6.2	4.9
Contributions by employer	8.6	9.7
Contributions by employees	0.4	0.3
Administration costs incurred	(0.7)	(1.4)
Benefits paid	(10.7)	(9.0)
Closing fair value of plan assets	300.2	342.8

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the RBP pension asset/liability. The sensitivity of the principal assumptions used to measure the scheme asset/liabilities are set out below:

Changes in assumption at 31 July 2022	0.1%	Approximate impact
pa decrease in discount rate		£5.6m reduction in funded status
0.1% pa increase in inflation linked assumptions		£3.9m reduction in funded status
One year increase in life expectancies		£11.2m reduction in funded status

USS

USS 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.

The scheme is a multi-employer scheme and given the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period. Since the University has entered into an agreement (the 'Recovery Plan') that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

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

Since the University cannot identify its share of USS Retirement Income Builder 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%.

Notes to the Financial Statements *(continued)*

29 PENSION ARRANGEMENTS *(continued)*

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 assumptions	Term dependent rate in line with the difference between the Fixed Interest and Index Linked yield curves, 1.1% pa to 2030, reducing linearly by 0.1% pa to a long-term difference of 0.1% pa 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% pa Post retirement: 1.00% pa

The main demographic assumption used relates 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:

Mortality base tables	101% of S2PMA 'light' for males 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa 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 years are:

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

A new deficit recovery plan was put in place as part of the 2020 valuation. This 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.

Key assumptions used are:	2022	2021
Discount rate	3.33%	0.89%
Pensionable salary growth	3.45%	3.54%

The University has used the deficit modeller developed by the British Universities Finance Directors' Group (BUFDG) and USS to calculate the provision to be made for the future obligation to make deficit recovery payments. The liability has increased from £74.8m to £173.0m as set out in Note 20.

The total cost charged to the operating surplus is £52.1m (2021: £49.5m).

Deficit recovery contributions due within one year for the institution are £11.2m (2021: £4.0m).

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Changes in assumption at 31 July 2022	Approximate impact
0.1% pa decrease in discount rate	£1.4m increase in provision
0.1% pa increase in pensionable salary growth	£1.4m increase in provision
1% increase in pensionable salary growth in year one only	£1.7m increase in provision

30 RELATED PARTY TRANSACTIONS

Due to the nature of the University's operations and the composition of its Council (being drawn from local public and private sector organisations) and University Executive Board (UEB), it is inevitable that transactions will take place with organisations in which a member of Council or UEB may have an interest. All such transactions are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The University has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

The Retirements Benefits Plan (1971) (RBP) is a post-employment benefit of employees of Newcastle University and as such is defined as a related party under FRS 102. Transactions between the University and RBP are disclosed in Note 29.

Where Council or UEB members or 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.

Entities which the University has control, joint control or significant influence

	Income from related party £'000	Expenditure to related party £'000	Balance due (to)/from related party £'000
Aelius Biotech Limited*	52	–	–
Alcyomics Limited*	(1)	–	–
Dragonfly Insulation Limited*	4	–	–
Indicatrix Crystallography Limited*	31	–	2
INEX Microtechnology Limited*	419	304	271
INTO Newcastle University LLP	14	2,703	–
N8 Limited*	–	60	–
Newcastle Science Central Developments LLP	52	–	–
Newcastle Science Central Management LLP	105	87	–
NunaBio Limited*	12	–	3
ScubaTx Limited*	30	–	–
Tyne Pressure Testing Limited*	–	–	441
TWAM Enterprises Limited*	–	24	–
	718	3,178	717

Entities denoted with an asterisk (*) are entities that the University is deemed to have significant influence over, but does not have control or joint control.

Aelius Biotech Limited

Aelius Biotech Limited provides commercial provision to help drug development clients to successfully get products to market. Two of the senior academic team are members of this organisation.

Income relates to research, consultancy and facilities services provided by the University along with patent fee recharges.

Alcyomics Limited

Alcyomics Limited is commercialising a unique human tissue skin explant assay which can be used as a diagnostic tool. A member of the senior academic team is a member of this organisation.

Income relates to facility services provided by the University. During the financial year a refund was provided for research fees previously charged.

Dragonfly Insulation Limited

Dragonfly Insulation Limited developed a form of ambient drying methods for silica aerogels, which has the potential to transform the manufacture of the silica aerogels. A member of the University senior leadership team is a non-executive director of the company.

Income relates to patent fee recharges.

Indicatrix Crystallography Limited

Indicatrix Crystallography Limited provides high throughput solution-phase crystallisation screening to support molecule discovery and development projects. A member of the senior academic team is a member of this organisation.

Income relates to research and consultancy services provided by the University along with patent fee recharges. The balance due to the University at the year end are general working capital balances.

Notes to the Financial Statements *(continued)***30 RELATED PARTY TRANSACTIONS (continued)****INEX Microtechnology Limited**

INEX Microtechnology Limited is a microsystems and specialist electronic device contract manufacturer.

Income relates to the recharge of utilities and facilities services provided by the University. There is a working capital loan agreement in place between the University and INEX Microtechnology Limited. Both the expenditure and the balance due to the University at the year end, relates to this agreement. The University has provided INEX with a working capital loan of £250,000.

INTO Newcastle University LLP

INTO Newcastle University LLP supports international students studying in the UK. The entity is a joint venture partner of the University.

Income relates to catering, equipment hire and other general recharges in the normal course of business. Expenditure relates to the provision of in-session English courses, agent commission payments and rental payments.

N8 Limited

The N8 Research Partnership is a collaboration between the Universities of Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York. Vice-Chancellor and President, Chris Day, represents Newcastle University on the board of this partnership.

Expenditure paid to the N8 Research Partnership was the University's agreed contribution to N8 activities for 2021-22.

Newcastle Science Central Developments LLP

Newcastle Science Central Developments LLP was created to market plots for the development on the Science Central site. The entity is a 33% joint venture of the University. Refer to Note 15 for further details.

Income relates to general charges between companies in the normal course of business.

Newcastle Science Central Management LLP

Newcastle Science Central Management LLP was created to sell or lease land for the development of Science Central and manage its infrastructure. The entity is a 50% joint venture of the University. Refer to Note 15 for further details.

Income and expenditure relate to general charges between companies in the normal course of business.

NunaBio Limited

NunaBio Limited has developed a technology that enables the detection of DNA and small differences in DNA sequences with speed and high accuracy. A member of the senior academic team is a member of this organisation.

Income relates to patent fee recharges and the balance due to the University at the year end is for the most recent patent recharge.

ScubaTx Limited

ScubaTx Limited aims to increase the number of viable successful organ transplants by maintaining organ quality beyond the time periods for preservation. Two of the senior academic team are members of this organisation.

Income relates to research services provided by the University.

TWAM Enterprises Limited

The purpose of TWAM Enterprises Limited is to undertake commercial and enterprise activity to increase self-generated income. The enterprise is wholly owned by the four Tyneside Councils and Newcastle University.

Expenditure relates to hire charges for events along with other general event costs charged to the University.

Tyne Pressure Testing Limited

The purpose of Tyne Pressure Testing Limited is to create a Centre of Excellence for Hyperbaric testing in the local area. The University has provided Tyne Pressure Testing Limited with a loan of £441,000.

Organisations and companies in which members of Council or senior management have an interest

	Income from related party £'000	Expenditure to related party £'000	Balance due (to)/from related party £'000
Medical Research Council	8,723	122	–
Northern Health Science Alliance Limited	–	492	–
The Newcastle upon Tyne Hospitals NHS Trust	14,854	8,203	3,716
	<u>23,577</u>	<u>8,817</u>	<u>3,716</u>

Medical Research Council

The Medical Research Council supports research to improve human health and produce skilled researchers. Pro-Vice-Chancellor, Professor Brian Walker is on secondment to this organisation.

Income from this organisation relates to grant income for research purposes, whilst expenditure relates to medical training courses.

Northern Health Science Alliance Limited

The Northern Health Science Alliance (NHSA) is a health and life sciences partnership between the leading NHS trusts, universities and Academic Health Science Networks in northern England. Pro-Vice-Chancellor, Professor David Burn is the chair of this organisation.

Expenditure relates to the distribution of Research England catalyst fund grants.

The Newcastle upon Tyne Hospitals NHS Trust

The Newcastle upon Tyne Hospitals NHS Trust is a provider of healthcare services. It works closely with the University in the teaching of medical students, as well as research. A member of Council and Chair of Audit and Risk Committee from 1 August 2022, Bill MacLeod, is the Chair Audit Committee for the Trust.

Income and expenditure represents recharges of services provided to and by The Newcastle upon Tyne Hospitals NHS Trust.

Other connected entities

	Income from related party £'000	Expenditure to related party £'000	Balance due (to)/from related party £'000
Legal and General	10,500	–	–
Newcastle City Council	156	2,082	4
Newcastle University Students' Union	–	2,450	430
	<u>10,656</u>	<u>4,532</u>	<u>434</u>

Legal and General

Legal and General is a multinational financial services group and major global investor. The University is a partner in a joint venture alongside Newcastle City Council. This income relates to a lease agreement guarantee and further details are provided in Note 26.

Newcastle City Council

Newcastle City Council is the local government authority for the city and metropolitan borough of Newcastle upon Tyne and is a partner in joint ventures with the University.

Expenditure relates to general expenditure during the normal course of business, such as event expenditure.

Newcastle University Students' Union

The Newcastle University Students' Union is the representative body for students at Newcastle University. Expenditure is largely due to the annual subvention grants provided by the University, listed in Note 9. The University has provided the Student Union with a loan of £429,000.

31 ACCESS AND PARTICIPATION

	2022 £m	2021 £m
Access investment	4.0	3.4
Financial support	8.2	8.9
Disability support (excluding expenditure included in the two categories above)	2.8	2.3
Research and evaluation	0.3	0.3
	<u>15.3</u>	<u>14.9</u>

All of the expenditure is included in the financial statements and other Notes. £4.6m (2021: £4.4m) of these costs are staff costs included within Note 8.

Our Access and Participation Plan for 2021-22 is available on our website

[ncl.ac.uk/media/wwwnclacuk/whoware/files/Access and Participation Plan.pdf](https://ncl.ac.uk/media/wwwnclacuk/whoware/files/Access%20and%20Participation%20Plan.pdf)

Notes to the Financial Statements *(continued)*

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

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

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition). With the exception of FRS 102 adjustments made in respect of pensions and holiday accrual which are excluded for these purposes
- 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.

Net income ratio = Change in net assets without donor restrictions/Total revenues and gains without donor restrictions

	Note	2022 £m	2021 £m
Change in net assets without donor restrictions	A	70.6	32.9
Total operating revenue – unrestricted	B	549.4	530.3
Less:			
Investment return appropriated for spending (Other investment income)	6	(1.1)	(0.5)
Sale of fixed assets	Page 64	–	0.1
Total revenues and gains without donor restrictions		<u>548.3</u>	<u>529.9</u>

Primary reserve ratio = Expendable net assets/Total expenses and losses without donor restrictions

	Note	2022 £m	2021 £m
Net assets no restriction	C	566.6	489.3
Net assets with donor restriction	C	81.4	94.2
Less:			
Endowments restricted in perpetuity	21	(48.8)	(56.7)
PPE	F	(593.7)	(599.8)
Lease – right of use, net	13	(16.1)	(15.5)
RBP pension (asset)/liability	20	–	78.1
Notes payable	G	98.9	102.9
Lease – right of use asset liability	18 & 19	25.2	23.2
Expendable net assets		<u>113.5</u>	<u>115.7</u>
Total expenses without donor restrictions – taken directly from Statement of Activities	D	552.0	515.5
Other components of net RBP periodic pension costs	20	(79.0)	(18.9)
Other (gains)/losses	E	5.8	0.8
Total expenses and losses without donor restrictions		<u>478.8</u>	<u>497.4</u>

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)

Equity ratio = Modified net assets/Modified assets

	Note	2022 £m	2021 £m
Net assets without donor restriction	C	566.8	489.3
Net assets with donor restriction	C	81.4	94.2
Modified net assets		<u>648.2</u>	<u>583.5</u>
Total assets	Page 66	983.1	982.0
Modified assets		<u>983.1</u>	<u>982.0</u>

Notes to the ratios

A Change in net assets without donor restrictions

	Note	2022 £m	2021 £m
Total comprehensive income for the year	Page 64	(29.9)	48.5
Move on USS pension liability	20	98.2	0.6
Holiday pay accrual	18	(3.8)	2.7
Losses/(gains) on restricted endowments	21	11.4	(15.9)
Restricted endowment expenditure	21	3.9	3.1
Restricted donations	7	(8.6)	(5.5)
Investment income on restricted endowments	21	(0.6)	(0.6)
		<u>70.6</u>	<u>32.9</u>

B Total operating revenue – unrestricted

	Note	2022 £m	2021 £m
Total income	Page 64	558.6	536.4
Restricted donations	7	(8.6)	(5.5)
Investment income on restricted endowments	21	(0.6)	(0.6)
		<u>549.4</u>	<u>530.3</u>

C Net assets without restrictions

	Note	2022 £m	2021 £m
Net assets per Balance Sheet	Page 66	460.7	490.6
Less net assets with donor restrictions			
Restricted endowments	21	(80.4)	(93.4)
Restricted reserves	22	(1.0)	(0.8)
Add FRS 102 adjustments			
USS pension liability	20	173	74.8
Holiday pay accrual	18	14.3	18.1
		<u>566.6</u>	<u>489.3</u>

Notes to the Financial Statements *(continued)*

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE *(continued)*

Notes to the ratios *(continued)*

		2022	2021
		£m	£m
D Total expenses without donor restrictions			
Total expenditure	Page 64	639.6	530.6
Less:			
RBP pension service cost adjustment	8	10.1	(8.5)
Restricted endowment expenditure	21	(3.9)	(3.1)
Taxation	12	0.6	(0.2)
Less FRS 102 adjustments			
Movement on USS pension liability	20	(98.2)	(0.6)
Holiday pay accrual	18	3.8	(2.7)
		<u>552.0</u>	<u>515.5</u>
E Other (gains)/losses			
		£m	£m
Share of deficit in joint ventures	15	0.4	2.1
Share of deficit in associate	16	0.1	0.1
Loss on impairment of non-current assets	Page 64	4.4	–
Losses/(gains) on unrestricted endowments	21	0.9	(1.3)
Gains on disposal of tangible assets	Page 64	–	(0.1)
		<u>5.8</u>	<u>0.8</u>
F Net property, plant and equipment			
		£m	£m
Pre-implementation property, plant and equipment	13	484.8	484.8
Construction in progress	13	27.8	34.7
Post-implementation property, plant and equipment without outstanding debt	13	81.1	80.3
		<u>593.7</u>	<u>599.8</u>
G Long-term debt for long term purposes			
		£m	£m
Pre-implementation long-term debt	18 & 19	96.0	100.0
Long-term debt not for the purchase of property, plant and equipment	18 & 19	2.9	2.9
		<u>98.9</u>	<u>102.9</u>

This year our alumni community reached 250,000 members around the world.

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