



Integrated Annual Report 2022–2023

From Newcastle.
For the world.

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Details included are correct at the time of publication (December 2023)



This 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.

Vice-Chancellor and President, Professor Chris Day CBE



Professor Chris Day CBE
Vice-Chancellor and President

Looking back on another tumultuous year for Higher Education, with a seemingly never-ending stream of challenges, it gives me great pleasure and pride to report that we have had one of our most successful years yet. This would not be possible without the hard work and commitment of every single member of our University community, and I would like to thank them for all we have achieved this year.

In June, we were placed 110th in the QS World University Rankings. This is our best ever position and one which places us in the top 8% of universities in the world.

In research, we have had an outstanding year in terms of our grant awards, which stand at an unprecedented £159 million, comfortably surpassing the target we set for ourselves back in 2018. The awards will support our pioneering research in diverse areas, from strengthening the region's economy and decarbonising transport networks, to targeting rare diseases and transforming net-zero hydrogen production.

I started the academic year with a focus on the need to improve the educational experience for our students. It was therefore a real boost when the results of the 2023 National Student Survey showed a marked improvement, on the 2022 results, but we cannot afford to rest on our laurels. It is vital that we continue to do all we can to improve student experience.

There was more good news in August, when we heard that we had gained a Silver award in the Teaching Excellence Framework. In the context of the last two and a half years, this is a significant achievement.

Graduations are always a highlight of the year, but sadly this year, for some of our students the ongoing marking and assessment boycott somewhat overshadowed this special occasion. I would like to pay tribute to all those colleagues who worked so hard to make sure that all our students were able to graduate, albeit some of them with interim awards.

Our home and international student recruitment figures are also encouraging. I'm particularly pleased that we have done exceptionally well in recruiting students from under-represented groups this year, who account for 34% of our new 2023–24 intake of home students, against the national trend.

Our commitment to our values continues to bear fruit. We achieved a Race Equality Charter (REC) Bronze Award for our work towards tackling race inequality on the first attempt. This is excellent news and reflects our clear determination to overcome the barriers to higher education that exist for people from minoritised ethnic groups.

While clearly we have much to celebrate, I would be remiss if I did not lend a note of caution to the year ahead. The continued rising cost of living, inflation and a volatile global political and economic environment mean we cannot be complacent. We are likely to be facing an increasingly difficult financial environment in the 2023–24 financial year, driven principally by the persistent inflation, national pay award and higher energy costs in the face of a fixed undergraduate home student fee.

Undoubtedly there will be more challenges ahead, but I'm confident that we are in a strong position to build on our recent successes. To help us, I am fortunate to have the support of an outstanding senior management team. During the year, I was delighted to announce three new appointments: Professor Brian Walker as Deputy Vice-Chancellor, Professor Matthew Grenby as PVC Research and Innovation, and Professor Ruth Valentine as PVC Education. We've also strengthened our operations in South East Asia with the appointment of new Provost and CEO (ASEAN), Professor Dennis Wong, and Professor Vishna Devi Nadarajah and Professor Jonathan Galloway both as CEO to our campuses in Malaysia and Singapore respectively.

Finally, on a personal note, I am honoured to have been selected to chair the Russell Group for the next three years. I will do my best to ensure that I leverage the national profile that comes with this role to further the progress of this great University.

Chair of Council and Pro-Chancellor, Paul Walker



Paul Walker
Chair of Council and Pro-Chancellor

In presenting this report, I am in no doubt that the environment in which we operate remains challenging, but I am equally confident that we are addressing the challenges we face from a position of strength and relevance that reflects the effort and commitment of our whole University community.

As its governing body, Council's role in preserving the stability of the University, making sure that there is a sound financial base

from which to continue to develop and maintain a programme of investment which improves our student experience, is more important than ever. It is a complex task given that a significant part of the University's income, remains fixed year on year, but at the same time we are facing significant increases in the cost base.

From Council's perspective, we are acutely aware that the last 12 months have not been easy for anyone, from coming out of Covid into a cost-of-living crisis and industrial action. I have been extremely proud of the University's response. The thoughtful and pro-active financial assistance packages that have been put in place for students, with the generous support of our alumni, and the additional resourcing that has enabled us to increase the welfare services available to students and colleagues have been both timely and necessary.

Managing our day-to-day activities against this backdrop of a difficult economic and social climate requires strong leadership, and in this respect we are very fortunate. In our Executive Board, the Vice-Chancellor has assembled a modern thinking and forward-facing team of colleagues underpinned by both direct experience and a range of skills that are diverse and – crucially – relevant to today's world.

I have been especially pleased to see the work Executive Board has done on refreshing the University's Vision and Strategy so that it too remains relevant in the current climate.

The strategic plans are covered in detail in the pages that follow, but I particularly wanted to highlight progress with our global strategy, which has resulted in us welcoming our highest numbers of international students at both undergraduate and postgraduate level. Our international students not only enrich life on campus, but also they contribute to the cultural health and diversity of our region.

The contribution we make to the social and economic wellbeing of our region through our education, our research and our operations reflects our position as a University with a strong civic commitment. The North East has a particular set of challenges across the life course, from low educational attainment and participation in higher education to health inequality and the associated impact on productivity and economic growth. We continue to focus on social mobility, raising aspiration and widening participation among young people from disadvantaged backgrounds, and to providing our students with the skills and knowledge they need for the workforce of tomorrow. We are mobilising our research in healthy ageing, life sciences, data and digital technology to build a more equitable and sustainable economy.

That we have maintained our financial stability, at the same time as continuing to deliver an excellent student experience, supporting our colleagues and fulfilling our civic role, is testament to an enormous amount of hard work and dedication on the part of very many people. I want to thank all our academic and professional services colleagues and my lay members of Council for their ongoing commitment to the success of our great University.

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 145 countries and offers undergraduate, postgraduate taught and research degrees in over 40 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 presence 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 of these is provided by our Deputy Vice-Chancellor, four ‘cross-cutting’ Pro-Vice-Chancellors (PVCs) and 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, our regional devolved mayoral combined authority, local NHS Trusts, other regional universities, companies, and not-for-profit organisations.

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 academic units; 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.

Top **25** in the world for sustainable development
(Times Higher Education Impact Rankings 2022)

Ranked **61ST** in the world for Research Quality
(THE World University Rankings 2024)

Ranked **168TH** in the world
(THE World University Rankings 2024)

Increase of **65%** in research power since 2014
(REF 2021)

Global presence
Over 1,650 students across our campus in Malaysia and Singapore with the Singapore Institute of Technology

Over **29,000** students from **145** countries

Ranked **110TH** in the world up 12 places on last year
(QS World University Rankings 2023)

Positivity measures over **83%** for teaching on my course, and academic support
(National Student Survey 2023)

Positivity measures over **87%** for learning resources
(National Student Survey 2023)

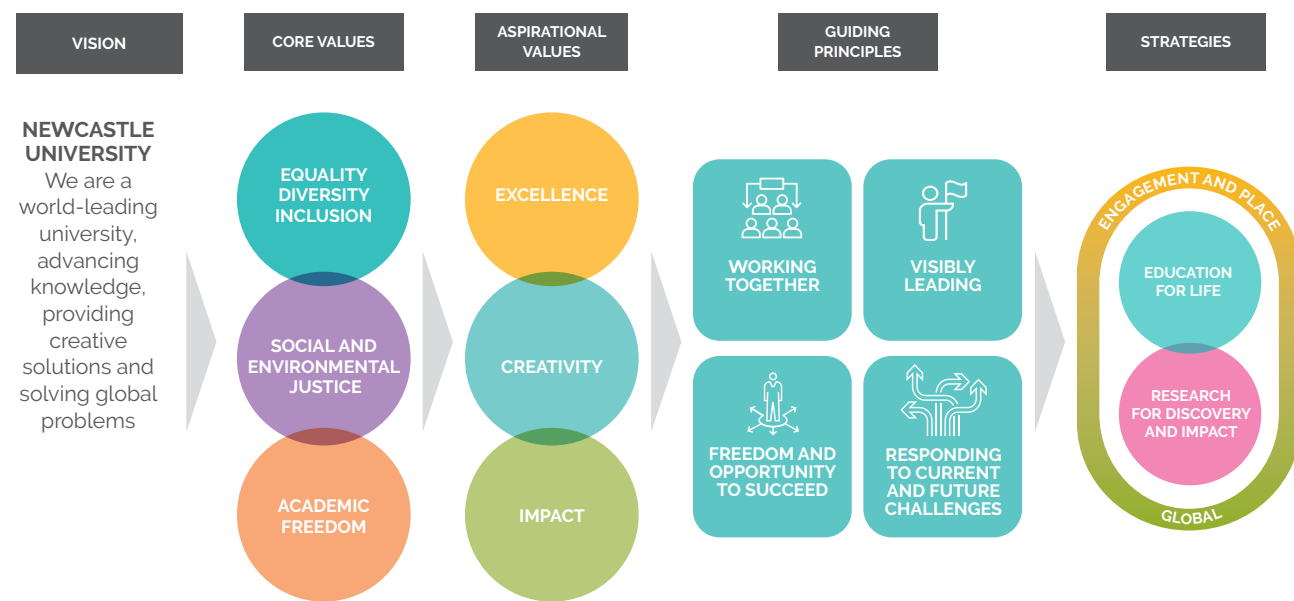
93% of our 2020–21 graduates progressed to employment or further study within 15 months of graduating.
(Graduate Outcomes Survey)

Our vision, values, principles and strategies

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 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.



Looking forward, 2023–24 will see a refresh of our Education for life and Global strategies and the introduction of a new approach to embedding strategic delivery plans within each of our academic units. This will ensure that the University continues to deliver on its vision whilst adapting and reflecting the changing external environment.

In the strategic and operational review (pages 16–31), we describe the progress that has been made in 2022–23 against each of our core strategies as well as our university-wide enabling plans. For our core strategies 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

Core and aspirational values

Newcastle University is known for its longstanding commitments to equality, diversity, inclusion, and social and environmental 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.

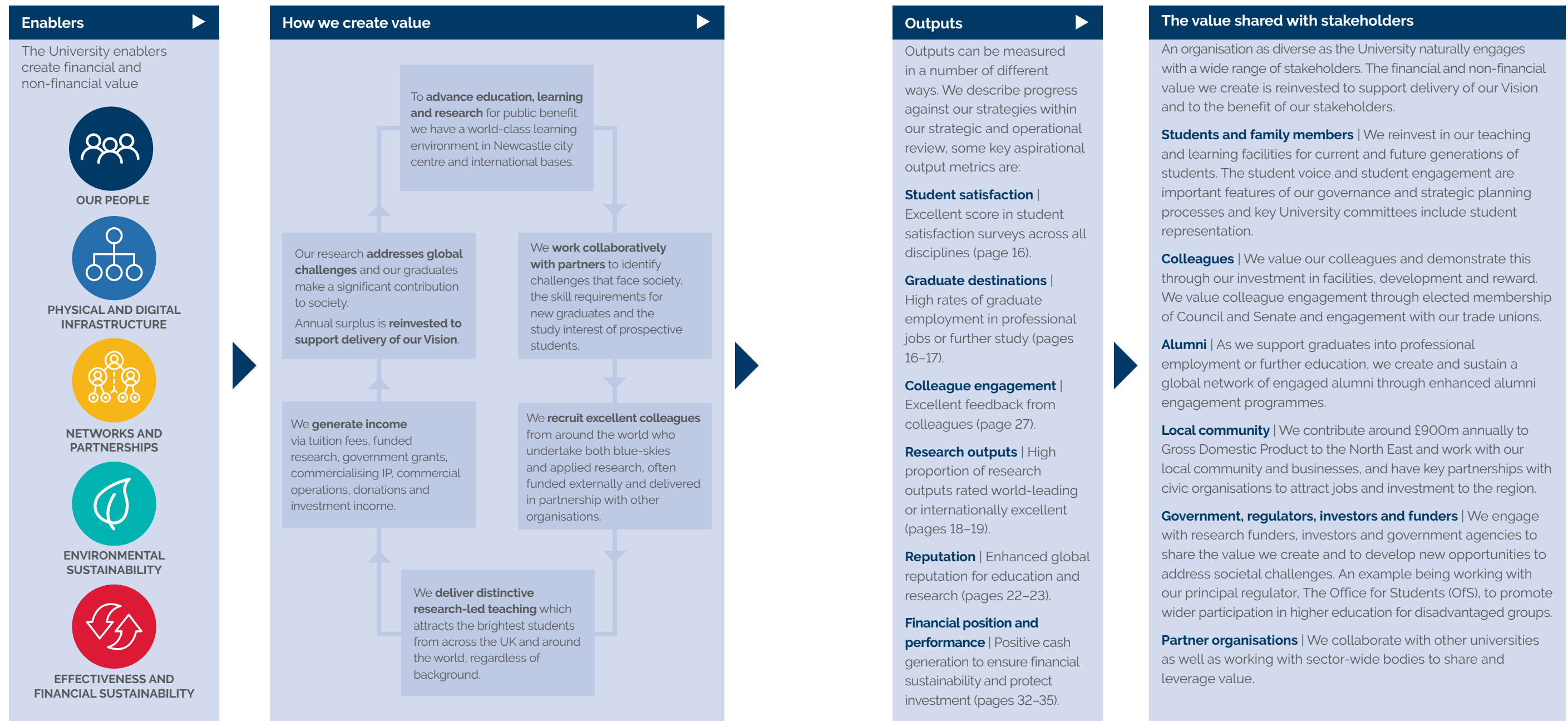
Research for discovery and impact | Catalysing transformative research within and between disciplines.

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 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. Our overarching aim is to be a values-led, world-leading university which advances knowledge, provides creative solutions, and solves global problems. Our Vision and value creation model is assured by effective governance.



Understanding our risks

Managing risk and opportunity is key to achieving our strategic objectives. We have a 'risk-aware' culture where taking considered risk is supported by a risk management framework designed to encourage the systematic identification, evaluation and mitigation of risks that threaten our strategic objectives, service delivery and ongoing financial viability. We know that risk cannot be fully eliminated, but if risks are understood they can be managed to reduce the potential impact and likelihood.

Effective risk management involves a process of ongoing review and improvement; this year we consolidated some of the risks in our strategic risk register which now contains 15 strategic risks and we introduced a new risk specifically related to student wellbeing. We also introduced a target score within the risk register with linked actions so that the governing body can see what is planned to address the risks. The risk management framework also now includes a risk appetite statement which is reviewed regularly by Executive Board. The statement covers areas of risk that may impact our strategic objectives; our appetite for taking risk and exploiting opportunities that varies between different areas of our work.

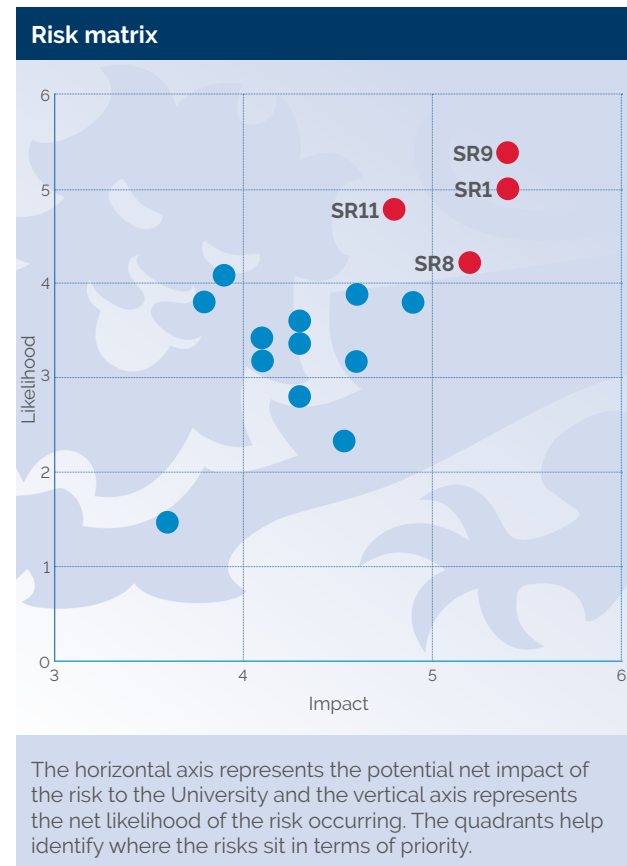
Our colleagues and governing body recognise risk management is an integral part of our activities. Our risk governance arrangements, which are overseen by Council, owned by Executive Board and led by our Risk Manager, seek to ensure that we have visibility and alignment of principal risks and material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

Key risks

The operating environment for universities continues to be difficult with the higher education sector facing significant inflationary pressures on costs without corresponding uplifts in income. Disruption caused by ongoing industrial action has also been a challenge. Alongside the external risks, there are a number of internal factors to which we could become vulnerable if not managed: these include managing our cost base whilst ensuring our digital and physical infrastructure is fit for the future.

We started the year with five red-rated risks. At the July meeting of the Audit, Risk and Assurance Committee, it was agreed that the net risk score for our risk relating to the wellbeing of our students should be decreased from red to amber due to the implementation of various mitigating actions to help support students and their wellbeing. Early indications from our 2023 National Student Survey (NSS) analysis confirm the University has responded to the needs of our students.

The following are our highest scoring risks from the University Strategic Risk Register. See our strategic and operational review (pages 16–31), for initiatives and KPIs addressing these four highest-scoring risks.



Change in risk: ▲ increase ▼ decrease ▬ no change

SR1 | 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 are improving but also that we can continue to do better in putting students at the centre of everything we do.

Risks	Mitigations
Action plans to improve education are not implemented effectively and satisfaction does not improve.	Clear and achievable action plans from internal and external student surveys are produced, implemented and evaluated at institutional, faculty and academic unit level.
If we do not offer a high-quality and engaging education and broader university experience we risk loss of market share.	Active management in academic units to ensure effective implementation and to embed a student-centred culture.
Failure of student voice mechanisms to support and enhance the education experience and overall satisfaction. Students may not feel the overall experience is what they expected or value for money.	Continual working with students and the Students' Union. Discussion around value for money and tuition fees at various University committees.

SR8 | International student recruitment | Stakeholders impacted: Students, Colleagues, Our local community

Whilst we continue to be successful when it comes to international student recruitment, we are aware that the operating environment is increasingly competitive and complex. Changes in fees, funding and immigration policy, as well as global political and economic uncertainty, make the international student 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 continue to attract international students.

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 with international student growth targets.
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.

SR9 | Financial viability | Stakeholders impacted: Students, Colleagues, Our local community

In an increasingly difficult operating and funding environment there is a risk that the University fails to manage financial performance and protect financial viability whilst delivering our strategy.

Risks	Mitigations
Financial planning and monitoring processes are not effective.	Clearly articulated financial strategy, approved by Council. Robust financial planning cycle and clear budget ownership and accountability.
Cost base is not adequately controlled.	Clear budget setting, delegation of authority and approval routes for new spend linked to anticipated income.

SR11 | Our digital infrastructure and cybersecurity | Stakeholders impacted: Students, Colleagues, Our partners

Our students and colleagues expect an excellent digital experience and there is a demand to be able to learn and work in different ways. Digital transformation remains high on our agenda. We know that we need to deliver a digital experience that meets the needs and expectations of our students, colleagues and other stakeholders. The threat of cybersecurity attack is a continued area of focus for our Executive Board.

Risks	Mitigations
Investment into our digital infrastructure may not be perceived to enhance student or colleague experience.	Our Infrastructure Strategy Group and Technology Portfolio Board have been established to consider and implement future requirements based on business need and efficiencies.
Improvements in cybersecurity cannot mitigate all areas of vulnerability completely.	An ongoing commitment to invest in our IT governance, cybersecurity architecture and capability.

From Newcastle, for people and planet

Adopted by all United Nations member states in 2015, the 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and planet, now and into the future. It is underpinned by the 17 United Nations Sustainable Development Goals (UNSDGs) which are an urgent call for action by all countries in a global partnership.

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. Our work continues to be recognised through the Times Higher Education Impact Rankings as leading in sector as the University was ranked 4th in the UK and 24th of over 1,500 Universities across the world.

Submitting across all 17 UNSDGs, we scored highly in SDG11 Sustainable cities and communities, SDG12 Responsible consumption and production and SDG13 Climate action.

Examples of our contributions towards the goals can be seen throughout this report.

We are proud of the progress we have made to date, and we continue to use this to build momentum towards deep and lasting change.



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 are renewing our Education Strategy in consultation with our colleagues and students with a focus on three strategic objectives:

- provide a core, universal offer for all students, including tailored provision where needed, to ensure equity of access, experience and in outcomes for all, regardless of background, identity, or nationality
- provide an educational experience that ensures our students are fit for their future lives in terms of the skills they need for the world in which they will live and work
- ensure that the heart of our curriculum and learning experiences for our students are encounters with world-leading researchers, and to renew the connection between our students and our researchers at the leading edge of industry and practice

Measuring progress

- **Student continuation:** continuation and completion rates of students who choose to study with us regardless of background, identity or nationality (SR1 – high-quality education)
- **Graduate outcomes:** what our graduates do and the proportion in graduate-level employment (SR1 – high-quality education)
- **Participation and awarding gap:** supporting student success and progress irrespective of background (SR1 – high-quality education)
- **Student experience:** feedback from students across all levels of study and at each campus location (SR1 – high-quality education)

Progress during the past year with an eye to the future

Education strategy | Our Education strategy is in transition, but the key ambition from the current strategy – to provide an ‘Education for life’ for our students – remains relevant, and the drive to create positive change in our education continues as we initiate the process to renew the strategy.

Working together, we have delivered much of what we intended to from the current strategy: creating a university-wide Doctoral College, developing a Graduate Framework, transforming the way colleagues and students engage with technology-enhanced

learning, and delivering a solid foundation of wellbeing support for all students via locally based wellbeing advisers in schools.

Moving forward the renewal of our Education strategy will be a vital process, enabling us to adapt and thrive in an environment that has seen huge shifts driven by the pandemic, changing technology, and the challenges facing our students and colleagues. We will work with our community across all campuses to develop a whole University plan for education, including relevant KPIs, to ensure that our education is equitable, fit for the future and research embedded. Our goal is that our teaching, learning, assessment and support approaches are informed by developments in pedagogy and best practice and can meet the University’s ambitions for its evolving portfolio and modes of delivery, and that our colleagues are enabled to develop as educators and embrace the possibilities present in the future world of higher education.

Student satisfaction | Disappointing student survey results in 2022 resulted in academic units developing new student-focused action plans, centred around their own students’ experiences and feedback. These plans were agreed at all levels, and progress with implementation is being monitored across the three faculties. In parallel, we have focused on improving key cross-cutting areas identified by our students as in need of improvement, in particular: our assessment and feedback; academic support; student voice; the international student experience; and student systems

Peer mentor SDG challenge



The peer mentor SDG challenge provides an opportunity for new students to understand and familiarise themselves with their new place of study while building relationships with their peers. In 2022–23, the challenge was open to first-year students and their mentors taking part in the Newcastle Peer Mentoring Scheme, alongside Nijmegen School of Management, Radboud University, in Holland. Students worked in small groups, to develop an idea around one of the SDGs, developing a proposal which could be implemented to help the university get closer to the chosen goal by 2030.

One of the stand-out proposals looked at how to reduce food waste and boost student nutrition, via recipes and food boxes made up of unwanted produce from supermarkets. This project has recently received funding, and their vision is becoming a reality.

across the education journey. A Postgraduate Research (PGR) Strategic Delivery Plan setting out clear priorities for our PGR community is in place and implementation is underway.

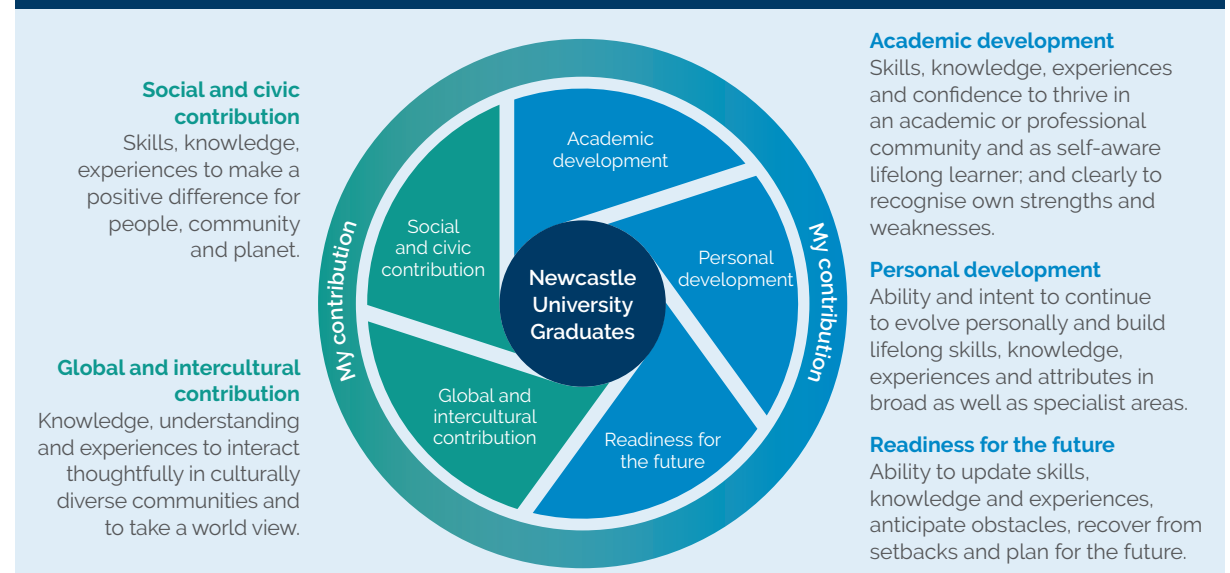
It is early days to see significant change, but the August 2023 National Student Survey (NSS) results indicate green shoots upon which we can build; success in this work will take long-term, sustained change across the University.

Developing our students | Meeting the demands of the Regulator has been a priority. In January 2023, we submitted our Teaching Excellence Framework (TEF) to the Office for Students (OfS). As part of this process, we developed the Education for life framework, articulating for the first time the ‘educational gains’ our students make while they are studying with us across their knowledge, skills, work readiness and personal development. In addition, and following the outcome of an OfS consultation on Access and Participation Plans, we set up a new working group to work closely with our students

and develop our Plan ready for submission in spring 2024. This work, together with a new Careers and Employability Plan for 2023–24, will underpin our renewed Education Strategy.

Portfolio developments | There has also been good progress in ensuring our portfolio is attractive and relevant globally and locally. This includes the ongoing development of three new online MSc programmes in Data Sciences working for the first time with an external partner. The programmes, which will have multiple entry points, will be launched in 2024. School X, established in 2021 as a catalyst for University-wide interdisciplinary innovation and projects, is currently developing a new interdisciplinary postgraduate programme in Leadership and Climate Change. Our work to develop our apprenticeship portfolio came under the scrutiny of Ofsted and achieved an overall ‘Good’ rating. The report praised the apprenticeship programme for addressing the need for ‘high-level digital, leadership and management skills in the regional and national workforce and economy’.

Education for life framework



Research for discovery and impact

Strategic priorities

Our long-term strategic aim is to fulfil our potential as a world-class, research-intensive university. We aim 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 inter-disciplinary approaches and partnerships with businesses and external agencies that extend the reach and impact of our research

Measuring progress

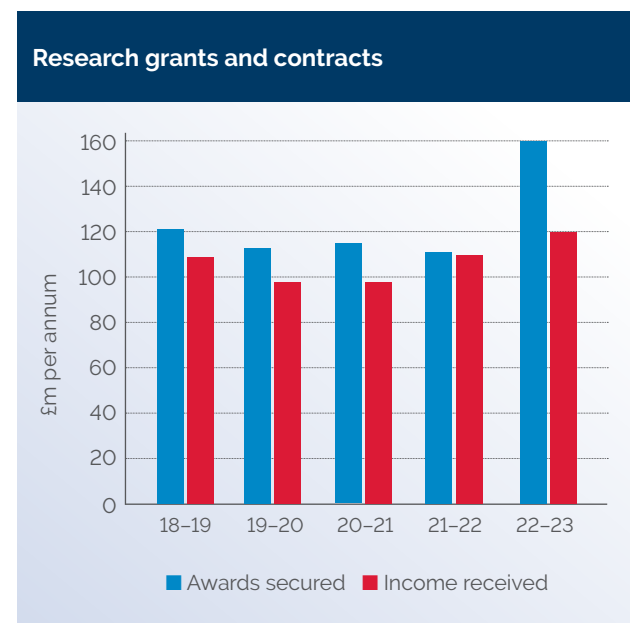
- **Research power:** the number of researchers producing high-quality research
- **Research environment:** the development of a thriving research culture
- **Research intensity:** winning competitive funding to leverage our investments in research (SR9 – financial viability)

Progress during the past year with an eye to the future

Increasing research income | Our research income continues to recover from the pandemic period, growing 10% in the prior year and 8% this year. There's a similarly encouraging growth in research income per colleague, although this is still falling short of our targets. We are on an encouraging trajectory towards Russell Group median. Major awards in 2022–23 include the £10m Hydrogen Integration for Accelerated Energy Transition Hub (HI-ACT), funded by the Engineering and Physical Sciences Research Council (EPSRC) to analyse the role of hydrogen and alternative liquid fuels in the context of the overall energy landscape, and the funding from the National Institute for Health and Care Research, totalling £29.2m, for a Research Support Service and National Specialist Centre in Public Health.

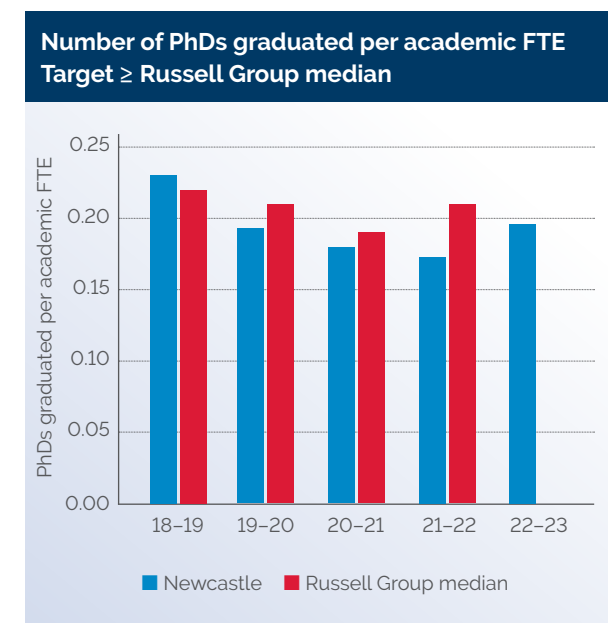
Transformative initiatives | We now have a portfolio of 16 cross-disciplinary Newcastle University Centres of Research Excellence (NUCoREs), including most recently in Mobility and Transport, Biomedical

Engineering, Children and Youth, and Cyber Security and Resilience. The first NUCoREs will have been in existence for five years in 2023–24, and we will begin a rolling review, considering progress and setting new objectives. We have recruited further Newcastle University Academic Track (NUAcT) fellows in Ageing and Health, One Planet, Culture and Creative Arts, and Clinical Medicine. Eleven NUAcTs will have been recruited in 2023, bringing the total cohort to 71, with further targeted recruitment planned. The fellows appointed to date have contributed to growth in our external fellowships, reaching Russell Group median for the first time. The first four NUFutures appointees have been recruited at more senior level, all in the Faculty of Medical Sciences.



Research culture | We are determined to address the research culture challenges highlighted in recent sector-wide surveys and reports. Following consultation across our research community, we have established our priorities for building a positive research culture with a Research Culture Roadmap and Research Culture Action Plan. We will be focusing on four priority areas for change: Releasing Quality Time; Career Progression; Tackling Inappropriate Behaviours; and Recognition and Reward. We will be evaluating our progress against our Research Culture Index which uses a basket of measures to monitor change. Although we have much to do, we've already taken significant steps, such as our EDI Toolkit for Researchers, launched in June 2023, which provides advice, tools and training for all colleagues to help build safe and inclusive research environments.

Postgraduate research students (PGR) | PGR students were disproportionately affected by the pandemic and we have yet to regain our former high levels of student experience and timely PhD completion. A new PGR Strategic Delivery Plan has been developed and includes a new University-level Doctoral College, aimed at embedding our PGRs more firmly into our research community and preparing them effectively for a knowledge-driven economy. This year, the Doctoral College has revised our Postgraduates Who Teach policy and provided funds to support students affected by the cost of living crisis. One focus next year will be on designing and implementing a new package of development for PGR supervisors across the University.



Water security and sustainable development hub

6 CLEAN WATER AND SANITATION

Through our water security and sustainable development hub, our vision is to enable sustainable water security by developing and demonstrating a systems approach that better understands water systems; values all aspects of water; and strengthens water governance to enable integrated water management.

Our global team of researchers and partners come together to work collaboratively, using our integrated, transformative systems approach, that recognises the interactions and interdependencies between people, institutions, natural environment, and infrastructure.

Our international and interdisciplinary team is made up of four 'collaboratories' (collaborative laboratories) conducting place-based work in four countries: Colombia, Ethiopia, India and Malaysia.

Digital Health Hub | Newcastle is the lead for the new £4m NorthFutures Digital Health Hub, funded by the EPSRC. The Hub brings together six regional universities, local authorities, NHS Trusts and Integrated Care Boards, as well as industry, to address health and social inequalities in our region through inclusive digital skills training and responsible health-tech design and development.

Creative Industries Policy and Evidence Centre (PEC) | In summer 2023, Newcastle became home to the 'Creative PEC'. Funded by £11m from the Arts and Humanities Research Council (AHRC) and running for five years, the PEC will deliver independent research that leads to policy recommendations for the UK's creative industries. Its work will investigate all the challenges the sector faces, from skills gaps to lack of diversity, to barriers to trade, and the need for regional strategies. The PEC pioneers a new 'twin hub' model, with the project team operating jointly from Newcastle and London, via our partners the Royal Society of Arts.

65% increase in research power since 2014 (REF 2021)

Engagement and place

Strategic priorities

Our Engagement and place strategy articulates how, through collaborative working, the benefits of our research and teaching go beyond the University to benefit society. Importantly, this is a two-way process which delivers benefit for not only our research and teaching but also the partners and communities we are working with. Our core value of social and environmental justice runs through everything we do and our strategy aims to deliver programmes that support:

- inclusive and sustainable economic growth
- improved health and wellbeing
- greater cultural richness
- inclusive education and lifelong learning
- connections between our local and global engagement
- evidence-based policymaking

Measuring progress

- Policy impact:** providing research-based, solutions-focused evidence to support policy development. Connecting our expertise with policymakers supporting our commitment to social justice
- Inclusive growth:** contributing to inclusive growth in the North East and developing a more prosperous economy and more equitable society
- Lifelong learning and skills:** offering opportunities to engage in learning at different life stages and in different ways. Partnering with schools, colleges and employers to raise aspirations and widen participation in higher education among under-represented groups ensuring our students are equipped with the knowledge and skills they need to succeed



Progress during the past year with an eye to the future

Inclusive and sustainable economic growth | We have taken a leading role in the development of the £4.2bn North East Devolution Deal. Our specific involvement in creation of the deal aims to support inclusive growth in key areas of our research and education strengths, including electrification and healthy ageing.

We are leading the redevelopment on the former Newcastle General Hospital site and this year we have developed the vision for the redevelopment, appointed an Academic Director and created a Community Engagement Action Plan. This site could be the UK's first Health Innovation Neighbourhood (HIN), bringing together public, private and voluntary sectors with local communities to shape the future of health and ageing. We are working hard to secure partnership with both public and private sectors partners to enable us to develop the site.

We have built on collaboration with other North East Universities, for example we have been successful in securing Shared Prosperity Funding to extend two of our flagship programmes, Arrow and Northern Accelerator. Arrow supports the growth of existing business by matching University academics with innovative regional SMEs, whilst Northern Accelerator supports the creation of new tech companies based on university research. The INTUNE (Innovating Together Universities in the North East) report demonstrates the impact universities play in generating economic, social

and cultural impacts for their localities and the region, and was launched by Dame Ottoline Leyser, CEO UKRI, in February 2023.

Lifelong learning and skills | Over the last year, we have developed the curriculum with further education partners to deliver skills pathways in electrification through apprenticeships in Level 3 to Level 7.

The IntoUniversity Newcastle East Centre has supported nearly 1,000 children and young people from disadvantaged neighbourhoods to attain their chosen aspiration. The centre, in Walker, is a collaboration between Newcastle and Northumbria Universities and national education charity IntoUniversity to provide additional educational support to those aged 7–18. The centre offers long-term support to young people, including after-school academic support, mentoring with university students and local professionals, in-school aspiration-raising workshops and enrichment and work experience opportunities.

Evidence-based policymaking | Over the last year, we have worked to raise our research profile with national policymakers in key sectors such as energy, transport and health inequality. Politicians, government officials and representatives from the energy and transport sectors were amongst the guests of a University-led reception at the Houses of Parliament in February 2023.

Insights North East (INE) is led by the University and delivered via a core partnership with the NHS, North of Tyne Combined Authority, Newcastle City Council, and Northumbria University. INE is a demonstrator illustrating how anchor institutions can collaborate to maximise the potential for university research to inform place-based policymaking and practice. This year, INE held its inaugural conference with the keynote speech from Matthew Taylor, CEO NHS Confederation.

Embedding engagement | In May 2023, we held our third annual Engagement and Place Awards. This event showcased the diverse range of engaged research and teaching practices delivered with our partners and communities. We received an overwhelming response to this year's call for nominations and the calibre of the projects was outstanding.

Our strategic partnership with Tyne and Wear Citizens has continued to grow and develop. We have built on the partnership, based on our learning. We have a community organiser from Tyne & Wear Citizens embedded in the University, working with us part-time to build capacity and explore more opportunities to use community organising to benefit students, colleagues and local communities.

Child of the North report



Clare Bamba, Professor of Public Health in the Newcastle University Population Health Sciences Institute, contributed to the 'Child of the North: Building a fairer future after COVID-19' report, which found that there are widening inequalities for children growing up in the North of England post-pandemic compared to those in the rest of the country.

The report looks at a wide range of factors, from child poverty to children in care, to build up a picture of the Child of the North. It sets out 18 clear recommendations that can be put in place to tackle the widening gap between the North and the rest of England, working towards a brighter future for children living in the North.



North East Raising Aspiration Partnership

(NERAP) is a collaboration of the five North East universities. NERAP won the Widening Access Partnership of the Year at the 2023 National Education Opportunities Network awards for its sector-leading work on the Care Leavers' Covenant. This supports students who have experience of the care system to succeed at university.



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 student mobility:** recruiting international students and providing international experience for students (SR8 – international student recruitment and SR9 – financial viability)
- South East Asia sustainability:** sustainable research and education engagement across South East Asia (SR9 – financial viability)

Progress during the past year with an eye to the future

Growing and diversifying our global student community | We welcomed our highest-ever international student intake at UG and PGT level in 2022–23. This resulted in 730 new international UG students and 2,635 PGT students. We have agreed further ambitious targets to attract more international students to the Newcastle campus: 25% of undergraduate overall intake by 2030 and 66% of postgraduate overall intake to be international by 2025. The international recruitment strategy is focused on achieving these targets and developing sustained recruitment channels to support diversity in our student cohort and in the subjects they study.

Global opportunities for students | We remain committed to increasing mobility for undergraduate students and are working towards a target of

39TH
in world in the International Research Network, a measure of the depth and breadth of research collaboration.
(2024 QS World Rankings)

1,850 students undertaking an international mobility by 2025. The end of the UK's participation in Erasmus has now resulted in a full transition to Turing and we have won a third successive £1m+ Turing Scheme bid. In addition to increasing volume, we have focused on widening access to mobility by developing non-traditional models of exchange including short-term opportunities, summer schools and virtual exchange. This year, under our Access and Participation Plan (APP), we have been able to support more students than ever who were previously under-represented in our mobility cohort. However Erasmus funds expired in May 2023 and Turing is unlikely to offer sufficient levels of funding for us to fulfil the commitments made in our international mobility plan. We are exploring other funding sources including philanthropy.

Global research profile | Our approach to partnerships and collaborations continues to be strengthened by more targeted support for a smaller number of broad, strategically aligned collaborations. As part of our new partnership with the National University of Water and Environmental Engineering (NUWEE) in Ukraine, we hosted 30 NUWEE colleagues and students for a conference focused on water engineering. In support of our broader plans to work with Small Island Developing

States on UNSDG's we added the University of the West Indies to our partnership portfolio.

Whilst international research funding continues to be challenged by the ongoing uncertainty of the UK's association with Horizon Europe, our percentage of international co-published papers has remained consistent.

UN/Geneva student internships



Neil Gumbs, a postgraduate studying International Politics, was one of four Newcastle students to travel to Geneva to participate in a two-week Joint University Study Tour as part of our partnership with the University of the West Indies. Neil spent time at the United Nations, World Trade Organisation and International Trade Centre as part of his policy internship. Reflecting on his journey, Neil said: 'It was beautiful to watch the interactions and bonds being formed between colleagues from across the world, who all share a passion for solving global challenges. We are the future change-makers the future directors and the future politicians. This experience assures me that the future is undoubtedly in good hands.'



Influencing a global Biodiversity Framework



In December 2022, the world gathered at the UN Biodiversity Conference (COP15) to agree the new Global Biodiversity Framework set to last for the next decade.

Professor Phil McGowan attended COP15 where this critical framework was agreed, and work had an influential impact on the Framework outcomes, informing two UN reports reviewing the progress of the previous work. His recommendations were that 'targeted recovery actions' were included, as many species need specific support to their needs, not generic policies.

The Framework is global, with nearly 200 countries agreeing to it. Our researchers continue to engage in this vital work in order to fill knowledge gaps, provide insights into where interventions could make the biggest difference and help with monitoring and reporting.

South East Asia Strategy | The work towards re-establishing a sustainable financial position in the South East Asia-based campuses is ongoing but currently in a good position. We have recently appointed Professor Dennis Wong into the new post of Group CEO and Provost: ASEAN, Professor Vishna Devi Nadarajah as CEO Malaysia and Professor Jonathan Galloway as CEO Singapore. All three appointees will commence in post by the start of 2024. A comprehensive strategy for the wider ASEAN region is in development.

There are several new programmes which are being assessed for delivery in Malaysia with the aim of diversifying the offer and significantly increasing student numbers and therefore income. We are also

aiming to increase research activity and achieve a two-star rating in Malaysian Research Assessment Instrument (MyRA) by 2025.

In Singapore, the PGT programmes have been withdrawn and the costly PG teaching premises decommissioned, which will represent significant savings. A new strategic plan has been agreed, with industry collaborative research at the fore, and a Memorandum of Understanding on Research has recently been signed with Singapore Institute of Technology (SIT).

World University Ranking Tables	2019	2020	2021	2022	2023
Leiden Rankings	91	78	66	78	69
QS World University Rankings	146	152	134	122	110
Times Higher Education World University Rankings	201–250	178	146	139	168

Our students

We have over 29,000 students from more than 145 different countries who together bring a richness and diversity to our community. Regardless of how or where they study with us, ensuring that each and every one of our students is equipped to make the most of the opportunities and deal with the challenges life has in store, is at the heart of our work.

Listening to our students | Our approach to delivering the best possible education and experience for our students means that we are committed to partnering with them in their learning journey. Working together, crucially we've not only identified concerns with, but also co-created solutions for, issues around transition, cost of living, student wellbeing and teaching and learning.

Enhancing our ability to understand and respond to the voices of our students is a priority. We have invested in cutting edge AI-driven technology to analyse and enable us to act more effectively on student feedback, and we are deploying learning analytics to help us improve the support we give, in real time.

The actions we are taking in response to student survey results; to improve student satisfaction and to ensure the student experience is at the heart of everything we do, is covered further on page 16.

Supporting transition | To help prepare our students for their studies and support them as they settle into life on campus, we draw on the experience of fellow students who are keen to share their insights and tips for making the most of their university experience, including through a well-embedded system of peer mentoring. We have also worked with sixth-form students and their teachers to better understand the skills gap between A level study and the first year of university, and worked with students to create resources to address these.

We offer tailored support for international students, including pre-departure checklists, specialist visa advice, access to English Language classes and resources to support them in understanding UK academic culture and practice. We also offer a mental health module specifically designed for international students, and a programme of social activities where they live and learn.

Our new careers and employability plan, launching this year, will provide opportunities that spark students' curiosity through the curriculum, enabling them to develop interests, resilience and capabilities for success in their future working lives.

Helping with the cost of living | Working with students to understand the challenges they face around the rising cost of living, we have developed a package of support worth over £2m. Informed by a survey carried out by our Students' Union, and helped by the generosity of our alumni, we have increased the financial support we offer providing funds to over 800 students most in need. The Students' Union awarded 700 participation bursaries to cover the cost of joining a club or society and set up a Student Pantry in partnership with FareShare, a national charity that works to fight hunger and tackle food waste. A 'Make it Happen Fund' established by the Careers Service enabled more than 100 students to travel to attend interviews, gain work experience and explore business ideas. A cost-of-living fund was set up specifically to help self-funded research students, while a further cash injection enabled more students to gain work experience abroad.

A £1 daily meal deal ensured students could eat a hot breakfast or lunch and free period products were made widely available across campus. Fine Art students have been running 'Soup Wednesdays' helping to restore, enhance and cement community through the simple process of making and sharing soup, made from ingredients grown in the Fine Art garden. Other initiatives include providing microwaves and free showers on campus, subsidised laundry facilities, more paid work for students on campus, which includes paid opportunities to engage in focus groups to improve the student experience, removal of charges wherever possible, eg the majority of library fines, the creation of a Library Lounge space in one of our libraries to offer a warm and inviting environment for social activities, and a new website providing students with easy access to all the available support.

Celebrating success | Our strong partnership with our students is celebrated by our annual Education Awards – known as the TEAs. These awards are organised and hosted by our Students' Union. They are an opportunity for students to acknowledge and celebrate the exceptional and inspirational colleagues who support and nurture them throughout the year. This year, nearly 500 nominations were submitted.

Encouraging belonging and active wellbeing | This year has seen a record take-up in club and gym memberships, demonstrating the importance of sport and active wellbeing to a positive student experience. Sport for fun, through the Students' Union's Give It A Go initiative, Campus Leagues and the University's ever expanding Intra-Mural sport offer combine to meet the needs of our students.

Our sports teams achieved another top 10 finish in the British Universities and Colleges Sport national rankings, securing our status as one of the top UK universities for sport. To capitalise on this momentum, we have launched a new logo for Team Newcastle, creating a global community connected by sport.

Wellbeing colleagues across the University have been working with the Students' Union to develop bystander training for all students to create safe spaces for students experiencing bias, discrimination or harassment. We have further increased our expert team of wellbeing advisers to provide support, information and training to students and personal tutors, and a recent independent review of the Wellbeing Service has helped transform the website and wellbeing campaigns, making sure that students can easily find out where to go for help if they need it.

Minimising disruption | Strike action during the year, particularly the marking and assessment boycott (MAB) led by the University and College Union (UCU) caused significant impact in some disciplines, particularly where there were missing marks for final-stage undergraduates. We aimed to mitigate this impact as much as possible so that students could graduate with a degree award, although one-in-five did so with an interim degree classification or with a classification pending. After the end of the MAB we have prioritised the return of all remaining marks, holding special exam boards where required.

I feel particularly excited and happy when I have a scheduled lecture with [her]. [She] goes above and beyond in her lecture preparation; she brings her personal, research and professional experience to class.'

Psychology undergraduate student

She helped me develop independence ... sustained scientific curiosity and critical thinking ability. This has had a very positive impact on the whole University experience that will help in my developing career as well.'

Biosciences Institute undergraduate student

[His] enthusiasm and encouragement is the only reason I am able to experience this amazing opportunity of international study.'

Mathematics, Statistics and Physics undergraduate student



Our people

Strategic priorities

Our University strives to build 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

Colleague development | Having launched our new Leading Through Values programme last year, we have continued to support our leaders to focus on how building a values-based culture can enable a whole range of positive impacts, both individual and collective. The programme has now been delivered to over 242 leaders across the organisation and has been the catalyst for further team development and projects. We have, at the same time, been reviewing our overall approach to leadership, talent and succession to inform the leadership and management programmes we already have and identify any gaps that we need to fill. For example, 2023 has seen significant uptake in our Managers Essentials modules which were launched in 2020.

Following success in the regional Chartered Institute of Personnel and Development (CIPD) award for Excellence in Diversity and Inclusion 2022, the Inclusive Futures programme has been redesigned with an intersectional lens to enable colleagues with a range of protected characteristics to access the programme and undertake leadership development on a programme that is focused on their lived experience. Nominations have been recently sought and this new approach will be delivered in 2023–24.

December 2022 saw the launch of our newly revamped approach to appraisal and performance reviews – Conversations and Priorities. The new approach is supported by an online platform that allows the easy

recording of priorities and the ongoing conversations. As part of the launch, alongside a general introductory session, there have been four bite-size skill sessions that leaders can attend. Across all of the sessions there have been over 1,700 attendees, illustrating the appetite to update and modernise the approach to performance appraisals. We continue to support colleague mentoring through the University-wide NU Mentoring Scheme, creating 85 mentoring partnerships this year.

Utilisation of the apprentice levy has continued to form a significant part of our development of new and existing colleagues with £321k being invested this year. This covers 44 apprentices ranging from Level 2 to Level 7 across 11 different training providers.

Equality, diversity and inclusion (EDI) | The University has a long-standing commitment to equality, diversity and inclusion and holds EDI as one of our core values. We continue to make progress in this area working on the delivery of the Race Equality Charter (REC) action plan after obtaining the REC Bronze Award, alongside continuing to progress on our institutional Athena Swan action plan and work relating to Disability Confident. In line with our EDI activity, we are developing an integrated framework to enhance the delivery of this work.

In 2022–23, we have evolved our Inclusive Futures leadership programme and opened it up to a broader range of protected characteristics. We have implemented our new Equality Analysis template, guidance and training, and the EDI Team have enhanced the process around supporting our EDI networks to deliver on their objectives.

Finally, within the last year we delivered on our commitment to lead sector-wide research for Advance HE around a holistic approach to EDI within universities.

Wellbeing on campus



As part of our commitment to nature positivity, the University has planted over 1,700m² of wildflower beds across campus, creating several 'pollinator gardens' on previously unused areas of our estate. The planting was also introduced to improve outdoor spaces on campus for colleagues, students and members of the public to enjoy.



Colleague wellbeing | We have delivered on actions to meet the objectives in the University's Health and Wellbeing Strategic Plan and Suicide Prevention Strategy. This work has been undertaken in collaboration with the Occupational Health and Safety Service, and the Student Health and Wellbeing Service to ensure a joined-up approach to health and wellbeing across the organisation. In addition, we have launched projects to explore how to better support colleagues and managers to reduce sickness absence and also how to best support neurodivergent colleagues.

Over the last year, we have launched our new branding campaign, delivered on a calendar of wellbeing events and workshops, and gone live with the wellbeing hub, housing a range of wellbeing resources. We continue to enhance communications and raise awareness of wellbeing support for colleagues through our wellbeing bulletins, video case studies, outreach activity with teams, and via wellbeing ambassadors across the organisation. In addition, we have launched revised wellbeing training for managers, personal tutors and supervisors of postgraduate research students and we have implemented physical health checks on campus for all colleagues and students.

Colleague engagement | This year we have been developing a new approach to colleague engagement survey which was launched in October 2023. The new approach involves short, themed surveys issued throughout the course of the year. This approach will ensure we understand colleague engagement and how it changes through the year, and it takes less time to analyse and distribute the data. Insight and action can happen more quickly, meaning we spend more time on making changes and improvements based on the feedback. Initial survey topics will include wellbeing and workload, personal and career development, and culture and values.

Recruitment | Although the market still presents us with challenges in labour shortages, we have seen a 22% increase in application numbers from the same period last year, despite posting 23% fewer roles this year. These trends are attributed to the employer brand campaign and relaunch of our careers page, and a shift in candidates moving to more secure industries following the cost-of-living crisis.

We have diversified our advertising and candidate attraction methods and assessment approaches to shape around the individual needs of each role, rather than a 'one-size-fits-all' approach. Activities such as career events, assessment centres, online screening tools and community engagement events have all supported in strengthening the employer brand and improved how inclusive our assessment methods are.



Race Equality Charter
Bronze
 for our work towards tackling race inequality in higher education.
 (Advance HE 2022–23)

Physical and digital infrastructure

Strategic priorities

We consider the future development of our campus to support people to give their best. We include digital and data transformation, future ways of working, blended learning and how best to develop and use our physical space.

Progress during the past year with an eye to the future

Physical infrastructure | The continued investment in our estate via our capital and long-term maintenance plans aims to provide outstanding facilities for colleagues and students alike. The Stephenson Building project is progressing well with the first phase of the building completed in August 2023 ready for the start of the 2023–24 academic year. The second phase is scheduled for completion in August 2024. The new building provides high-quality and innovative teaching and research facilities as well as modern office environments for colleagues. It has already attracted significant interest regionally, nationally and internationally and will provide the School of Engineering with world-leading facilities.

The Sir Terry Farrell Centre was completed in December 2022 with the official opening by Sir Terry taking place in April 2023. The building has been extremely well received with positive feedback from building users and the local community.

Whilst the size of the estate decreased slightly due to some lease surrenders, the estate will increase significantly in 2024 when the completed Stephenson Building opens.



244,172m²
net internal area of the estate a
decrease of 4,878m²
on the previous year

Plans for the development of a Health Innovation Neighbourhood (HIN) centred around the former Campus for Ageing and Vitality in the West of Newcastle are progressing. A major external funding application has been made to support the first new university building on the site, envisaged as a Hub for Digitally Enabled Care Everywhere.

Despite the challenges of a very volatile construction market, work continues to improve the performance of our estate in support of our net-zero carbon target of 2030. Use of technology to better inform decision-making on net-zero projects is also progressing well with the development of digital twin models of our estate. The heating strategy of our buildings has also seen a significant reduction in our energy consumption and therefore carbon emissions, the work will continue through the 2023–24 heating season to further enhance these benefits.

Student numbers in accommodation were buoyant during 2022–23 with a return to normal levels following the previous years. We housed a total of 3,414 students in University-owned accommodation and an additional 1,725 in commercial student accommodation schemes through nominations agreements. Average occupancy for University-owned accommodation has reached 97% per month for the academic year 2022–23, with limited numbers of students withdrawing and demand for accommodation remaining high, compounded by the housing position in the city.

Castle Leazes continued to operate at a reduced capacity to improve student experience due to its age, limited facilities, and planned closure in 2024. Its planned redevelopment has progressed well with a design team appointed and concept design phase completed at the end of July. Detailed analysis is being undertaken on the various financial options.

The Library continues to engage and consult with students to develop and enhance study spaces across all our buildings. Significant developments this year include the creation of a new Collaborative Learning Hub in the Philip Robinson Library, made possible

Campus net-zero project



As part of the delivery of our Climate Action Plan, we are carrying out campus-wide solar PV installation which will see a significant increase in renewable energy generated on site. We currently have arrays installed on 13 buildings on campus. It is anticipated that this project will reduce our University's imports from the national electricity grid by an estimated 1.8 million kWh per year. This is expected to reduce Scope 1 and 2 CO₂ emissions by over 380 tonnes a year. Scope 1 and 2 emissions are included in our target of net-zero carbon dioxide emissions by 2030. The installation of a biofuel CHP (combined heat and power) unit, which will generate a further one megawatt of electricity whilst also generating heat for our Merz Court heat network, is expected to complete in 2024.



through a generous grant of £131k from Arts and Humanities Research Council (AHRC). We have also expanded our Academic Skills Hub, to create a more visible, welcoming environment in which to deliver impactful skills support for students, and we have created additional group study rooms in the Walton Library.

Digital infrastructure | Over the past two years, we have undergone significant reorganisation of our IT services, resulting in a refocusing of operational objectives and a more service user-led approach to prioritisation. We introduced new ways of working across all departments and improved our approach to supplier management resulting in better service at lower cost.

We have continued to work hard to supply the digital tools our students and colleagues need to work effectively. 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 helps to inform, shape and deliver the University's future digital landscape. The IT Service Management System helps us to track the volume and type of work requests and plan and resource resolver teams appropriately. To improve our service, we launched Service First – a major improvement programme that has succeeded in a 62% reduction of outstanding requests for assistance and a 92% improvement in response time.

We have also improved the digital application experience for prospective students, making the admissions process more efficient to enhance student development and lifelong learning. The Digital Engagement Programme will provide a technology foundation for students, both during their time at the University and after graduation

and will strengthen our collaboration with external organisations in research, education and engagement.

The risk of cybersecurity attack is constant, and we continue to prioritise cybersecurity improvements and have implemented a robust governance structure and programme to protect our digital infrastructure. We have initiated a project to replace all network equipment across the University with a solution that will enhance cybersecurity protection and increase data transfer speeds, and thus improve the end-user experience, ensuring a safe learning and working environment for our students and colleagues.

The Microsoft Teams telephony project has been piloted across a number of buildings, transferring physical telephones to the use of Teams with the benefits of cost reduction, increased flexibility and improved efficiency. Furthermore, we introduced a new mobile telephony contract which embraces 5G for faster connectivity.

400+ student cluster PCs refreshed across **19 venues**

35+ teaching locations refreshed across **10 buildings**

50+ meeting rooms refreshed

250+ applications packaged and deployed for teaching across **5,500 student devices**

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

Our ongoing commitment to social and environmental justice is demonstrated through our retention of a 'First Class' award in the national People and Planet University League for the 10th consecutive year. This is measured on our contributions across a range of sustainability-related activity including ethical investment, education for sustainability and carbon reduction.

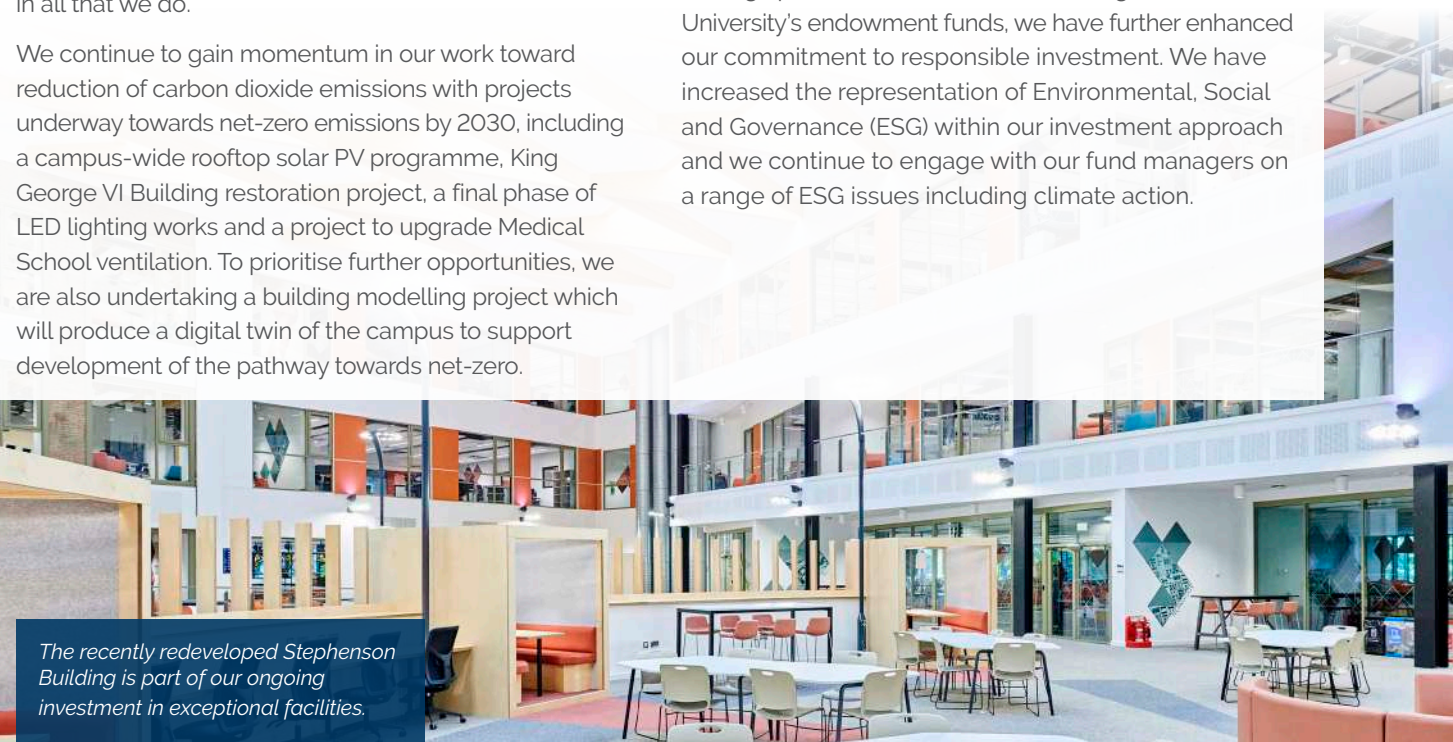
We have also been recognised as 4th in UK, and equal 24th in the world in the Times Higher Impact Ranking – the fifth consecutive year that we have achieved a top 25 place in this worldwide ranking measuring universities' contributions towards the United Nations Sustainable Development Goals (UNSDGs). Our UNSDG Committee, with cross-functional (including student) representation, has driven activity and ensured that the ethos encapsulated by the goals continue to inform our approach to embedding our sustainability commitments in all that we do.

We continue to gain momentum in our work toward reduction of carbon dioxide emissions with projects underway towards net-zero emissions by 2030, including a campus-wide rooftop solar PV programme, King George VI Building restoration project, a final phase of LED lighting works and a project to upgrade Medical School ventilation. To prioritise further opportunities, we are also undertaking a building modelling project which will produce a digital twin of the campus to support development of the pathway towards net-zero.

We have extended our commitment to acting on the ecological crisis, becoming one of the founding signatories to the Nature Positive Universities pledge and extending wildflower planting on the campus, supporting a diversity of species and making the campus more beautiful than ever.

With the return to in-person activity during this reporting year, we are seeing an inevitable increase in operational outputs such as water consumption and waste production. We are also seeing this reflected in an increase in our Scope 3 emissions in comparison to previous years, especially those resulting from business travel. We continue to develop our Travel and Expenses Policy to embed good practice around limiting business travel to essential needs. We are also increasing our efforts to support active travel through delivery of Dr Bike cycle maintenance sessions and increase of the cycle to work salary sacrifice scheme limit to support purchase of electric and non-standard cycles.

Through procurement of new fund managers for the University's endowment funds, we have further enhanced our commitment to responsible investment. We have increased the representation of Environmental, Social and Governance (ESG) within our investment approach and we continue to engage with our fund managers on a range of ESG issues including climate action.



The recently redeveloped Stephenson Building is part of our ongoing investment in exceptional facilities.

Leave Newcastle Happy



In partnership with our Students' Union, Newcastle City Council and Northumbria University, we work with our appointed waste management contractor to deliver the Leave Newcastle Happy campaign which provides additional facilities and advice for students on how to responsibly handle any waste produced at the end of term.

Skips and donation banks help to prevent accumulation of waste in the local area as well as ensuring as much material is reused and recycled as possible.



To equip students to contribute towards a more sustainable future, Education for Sustainability (EfS) remains a key focus. We are increasing both formal and informal opportunities including UNSDG challenge competitions, climate action workshops and creation of new interdisciplinary modules and programmes focused on delivery of the UNSDGs and climate action.

Our engagement on waste and recycling, including creation of new guidance materials, ensures continual improvement in waste management on the campus, and we are engaging with partners in the city on initiatives such as Leave Newcastle Happy which ensures that facilities are available for students living outside halls of residence to promote reuse and

recycling of materials when they leave University, minimising the impact on the local community and environment.

The journey to net-zero is a challenging one, our work to date has seen an 18% reduction in Scope 1 and 2 emissions compared to a 2018–19 baseline, however projects underway will lay the foundations for further, and more substantial, emissions' reductions. In the coming year, we will need to jointly advance our progress on Scope 3 emissions in order to increase impact on our overall footprint. Our externally audited Environmental and Energy Management Systems will continue to provide a robust framework for ensuring that we are delivering continual improvement throughout our Sustainability Policy commitments.

Environmental and Energy Management Systems Data	2021–22	2020–21	2019–20	2018–19
Estate Gross Internal Area (m ²)	490,052	501,721	497,529	486,755
Scope 1 and 2 Carbon Emissions (tCO ₂ e) ¹	21,859	21,572	23,490	26,854
Scope 1 and 2 Carbon Emissions (kg per m ²)	45	43	47	55
Scope 3 Carbon Emissions Total (tCO ₂ e) ²	93,092	69,987	98,522	109,265
Business Travel Carbon Emissions (tCO ₂ e) ³	2,626	203	3,822	7,476
Total Energy Consumption – Electricity (kWh)	44,809,804	42,471,820	43,691,196	51,648,206
Total Energy Consumption – Gas (kWh)	56,899,639	52,089,731	52,220,880	55,852,096
Total Energy Consumption – Heat (kWh)	13,899,640	12,965,270	12,390,572	14,132,006
On-site Photovoltaic Electricity Generation (kWh)	58,786	55,751	51,723	65,402
Total Water Consumption (cubic metres)	286,268	226,976	290,524	311,883
Total Waste Mass (tonnes) ⁴	1,930	1,568	1,690	2,095
Total Waste Mass – recycled via source separation (%) ⁴	47	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.
⁵ Excludes other works, eg construction and refurbishment.

The data above is unaudited information

Financial review

Despite the ongoing uncertainties and a challenging operating environment, we have been able to deliver an improved underlying financial result.

Financial highlights

The 2022–23 year saw a return to a more familiar overall operating environment, although it was a year again impacted by external factors, including significant cost inflationary pressures on pay and selected

operational expenses. Ongoing industrial action also adversely affected activities.

From a financial perspective, the underlying performance of the

University has continued to build back from the pandemic, resulting in an increase to our international student recruitment and therefore tuition fee income. Our research income has seen further strong

growth and is underpinned by increased levels of grant awards for future years. We have benefitted from a strong performance in REF 2021, which has driven enhanced funding body grant income, and our other income streams have also increased. The noted growth in income streams have proved crucial to cover a cost base under high inflationary pressure, notably staff costs, utilities and other building costs.

Underlying operating performance

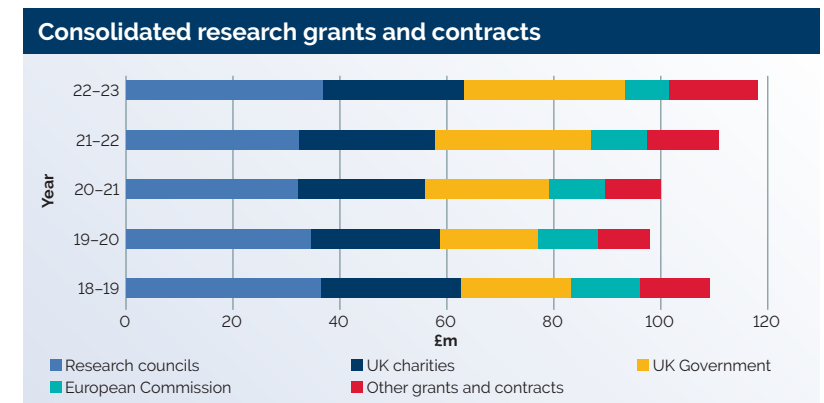
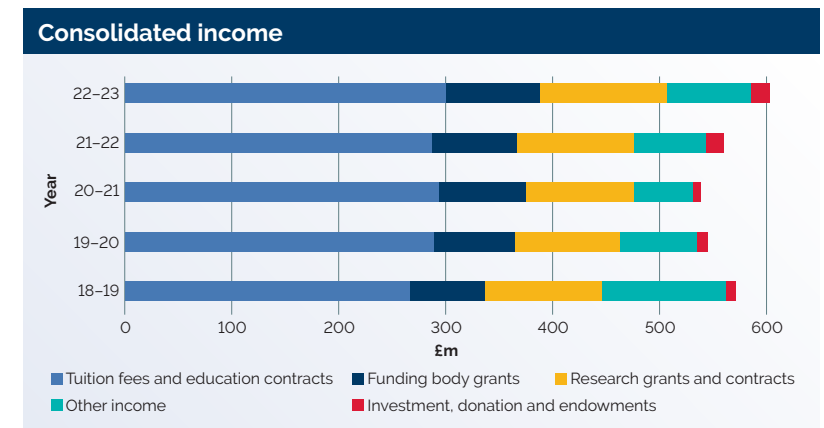
As in previous years, the statutory financial performance of the University has been affected by the impacts of pension scheme valuations and pension accounting. For the purposes of assessing underlying operating performance, we exclude the impacts of pension accounting adjustments and other exceptional costs such as significant impairments or significant movement in the value of our endowed investments.

Income

Total income at £608.3m is up 9% year on year, through improving levels of tuition fee and research income, as well as a significant uplift in funding body grant income.

Tuition fee income in the year totalled £302m representing an increase of 5% from the prior year. This was driven by improved international undergraduate recruitment and a significant increase in international postgraduate student numbers.

Overall, student headcount was relatively flat. The proportion of international students taught in the UK was 21%, increasing from 19% in 2021–22.



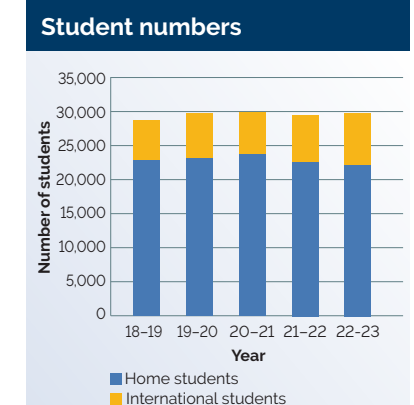
Funding body grants representing 15% of total income increased by £11.3m on the prior year to £89.9m. The result was influenced heavily by an improved performance in the REF 2021 exercise, resulting in strong growth in recurring awards from Research England. In addition, further one-off research grants of approximately £6m were received in late 2022 following a review of government funding. A successful bid to secure teaching capital infrastructure funding for identified investment will be reflected in future periods.

Research income of £119.3m reflected a 9% increase from the prior year (2021–22: £109.6m), building further on the post-pandemic recovery seen in the prior year.

In addition to income growth, applications for new grants in the 12 months to July 2023 increased in volume and in value compared to a three-year average performance. The value of secured new awards, the key

lead indicator of future income, also increased strongly in the year giving confidence for future research income performance.

Other income increased from £68.0m to £79.7m in the year with uplifts on most income streams reflecting a full year under normal operating conditions. Other income includes monies earned through our student accommodation, catering and conferencing activity, consultancy, non-research grants and work with health authorities.



Total income
£608m
 (2021–22: £559m)
 Total income grew by 9% representing improvements in tuition fee, research and funding body grant income.

Tuition fee income
£302m
 (2021–22: £287m)
 Tuition fee income was £15.4m higher than 2022, demonstrating stronger recruitment of international undergraduate and postgraduate students.

Research income
£119m
 (2021–22: £110m)
 Our research income improved by £9.8m, an increase of 9%, reflecting continued recovery and growth after the impacts of the pandemic.

Underlying surplus
£3.8m
 (2021–22: £0.4m)
 Despite challenging cost inflation pressure, we have been able to deliver an increased underlying surplus due to improving income streams on core activity.

Statutory surplus
£30m
 (2021–22: £99m deficit)
 Like last year our statutory result has been heavily affected by pension accounting adjustments, in particular a credit of £31.2m (2021–22: £97.5m charge) to staff costs as a result of USS pension provision.

Cash balances
£218m
 (2021–22: £218m)
 The University continues to have strong liquidity with cash balances maintained over the course of the year despite investment. This provides a strong foundation for future capital investment.

Capital investment
£48m
 (2021–22: £31m)
 Capital investment includes the continued redevelopment of the Stephenson Building and spend on our capital sustainability projects.

Underlying staff costs
£346m
 (2021–22: £325m)
 Underlying staff costs grew by 6% in 2022, reflecting modest growth in headcount and accelerated and increased pay awards. Staff costs to total income ratio reduced to 57% (2021–22: 58%).

FTE as at 31 July
6,033
 (2021–22: 6,004)
 Despite operating in a challenging recruitment market, we continued to invest in people and grow our FTE.

Financial review *(continued)*

Expenditure

On a statutory basis, total expenditure decreased by £66.3m or 10%, to £573.3m. This total includes the impact of pension accounting adjustments but excludes asset impairments and other movements in investments, joint ventures and associates. Underlying expenditure, excluding pension adjustments increased by 8% to £604.5m (2021–22: £558.2m).

Staff costs have increased on an underlying basis by £20.5m (6%) to £345.7m (2021–22: £325.2m) once adjusted for movements in pension scheme, holiday pay accruals and the impact of severance costs (Note 28). The increase is largely driven by sector-wide pay awards reflecting inflationary pressures. The underlying staff cost represents 57% of our underlying income for the year, slightly improved compared to prior year but in excess of our long-term target. Average staff

numbers (FTE) have increased by 76 colleagues (1%) to a year-end position of 6,033 employees despite sector-wide recruitment challenges.

Other operating costs of £214.4m are £21.8m (11%) higher than the prior year (2021–22: £192.6m), influenced heavily by rising inflation but also a full year operating under normal conditions following the pandemic. Mitigating steps have been taken during the year to limit exposure to rising energy prices, however utility costs have still risen by 31% in the year.

Depreciation has increased to £33.5m (2021–22: £32.3m) in the year. In addition, an impairment charge of £3.7m has been recognised in 2022–23 in relation to the Health Innovation Neighbourhood land held at market value. This is as a result of increases in construction costs and the current macroeconomics conditions.

Capital investment

Capital additions during the year were £47.7m (2021–22: £31.0m), centred largely on continued investment into the redevelopment of the Stephenson Building, for which the first completed phase opened for students in autumn 2023, further investment in our net-zero carbon aims across the estate and expenditure on equipment and systems.

In addition, we have also invested in improvements to our high voltage infrastructure and completed capital work on the Sir Terry Farrell Building, that opened in early 2023.

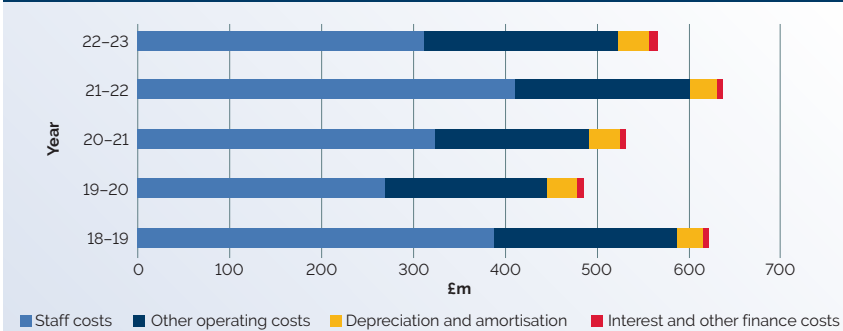
There were no significant disposals of University assets during the year. At the financial year end there were £22.5m of contracted capital commitments (2021–22: £43.7m).

Cash and liquidity

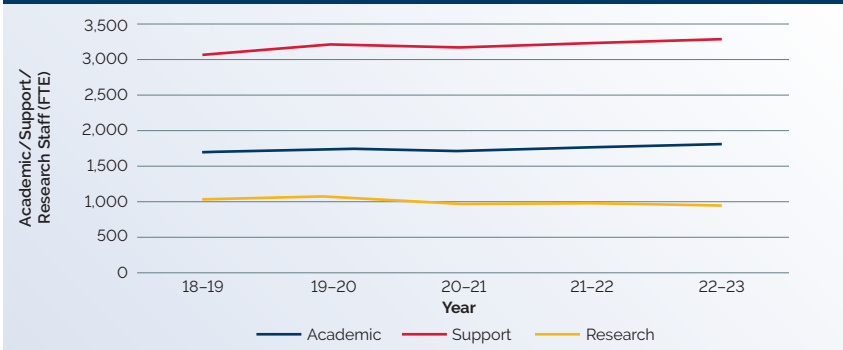
Cash and cash equivalents, including short-term deposits, were £217.7m (2021–22: £218.1m) at the year end. We have a robust treasury management policy, which assesses security, liquidity, and return. An increase in interest rates has offered renewed opportunity to generate a return on our cash balances, our interest income in the year has increased to £5.3m from £1.1m in the prior year, and we continue to monitor opportunities to maximise such return within the boundaries of our treasury management policy.

Our net cash position, which includes the impact of borrowing and leases, improved from £92.3m to £99.5m. This was mainly due to the continuation of capital repayments on the main borrowing facility. Post year end the University entered into a £75m Revolving Credit Facility with Lloyds Bank which provides seven year unsecured committed funding to support the University with effective utilisation of its funds over the medium and long-term, whilst maintaining target liquidity levels.

Consolidated expenditure (unadjusted for pension adjustments)



Staff numbers



Sustainable investing



As part of our commitment to continual improvement in embedding sustainability within our approach to investing our endowments, we have recently moved our equity holdings into funds that enhance work towards a holistic view across Environmental, Social and Governance (ESG) criteria.

Building on becoming one of the founding signatories of the COP26 Asset Owner Climate Expectations Declaration, we continue to engage with our fund managers on climate action to advance positive change in the sector.

After two years of significant volatility, our endowment-related investments have ended the year with a value of £90.0m, a £0.5m increase compared to the prior year. We receive monthly performance reports from all our fund managers and Finance Committee meets formally with our active managers at least annually to review progress.

Our investment balances at year end also include a market valuation of £1.9m in relation to shareholdings in two companies spun out from the University in previous periods.

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 currently obliged to make. The USS pension

provision has decreased to £147.6m (2021–22: £173.0m) during the year, the decrease represents the deficit recovery payments the University has made during the year as well as a decrease as a result of the increased discount rate. The ongoing actuarial valuation indicates the USS scheme will be in a surplus position, so it is anticipated the deficit recovery payments will cease at some point during the 2023–24 financial year.

The recent triennial actuarial valuation of the RBP scheme, a career revalued benefit scheme, resulted in an actuarial surplus position as at 31 July 2022. The year-end accounting position deteriorated during 2022–23 moving from an accounting surplus position to a £37.2m deficit position. Although gilts have increased by over 2% during the year which has reduced the funding liabilities, assets have reduced by a greater proportion. An actuarial loss of £35.9m (2021–22: £68.9m gain) has been recognised in the period.

Outlook and financial sustainability

The University remains in good financial health with plans supporting a path back to more meaningful operating surpluses in the medium-term and a strong closing cash position allowing us to prepare for the next few years with confidence.

Home student fees remain 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 material financial risk given that the cost base of the University carries inherent inflation, in particular energy, 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 the ongoing reinvestment into our core operations and student services. Failure to meet home and international student recruitment targets is a significant risk to future financial sustainability.

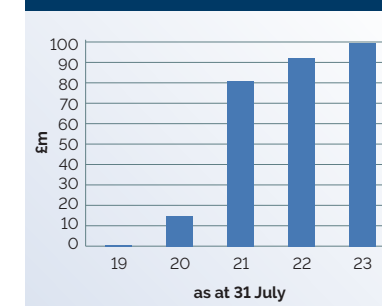
We expect 2023–24 to be another year of income growth, in part by delivering on our international student recruitment plans, and careful cost management while delivering best service for students and staff.

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 Principal Accounting Policies on page 54.

Net cash balance



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 under-represented 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, email, social media, and digital screen reminders throughout the year. In addition, we have committed £17.1m through our Access and Participation Plan to student financial support for the next two years. In 2022–23, we provided £2.1m in means-tested scholarships to support 1,353 new undergraduate students from low-income families who might otherwise have been unable to afford the costs of going to university. This constituted 22.5% of our full-time UK and EU undergraduate entrants in 2022–23. We also paid a further £4.8m to support 3,022 undergraduates

continuing their studies. Total undergraduate financial support of £6.9m for 4,375 students in 2022–23 saw a 5.5% decrease in scholarship expenditure. This decrease is in line with the steer from the Office for Students for universities to decrease Access and Participation Plan spend on scholarship support. We supported 37 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 2022–23, we awarded more than 9,300 undergraduate and postgraduate degrees.

We are the largest research university in the North East. During the academic year 2022–23, our academic colleagues published 4,745 research articles, books, book chapters and conference proceedings, a decrease from 5,037 the previous year.

Alumni engagement

Newcastle University is proud to support a global community of more than 250,000 graduates through an active programme of alumni engagement. We have a focus on enhancing student and alumni career development, inspiring change for good through shared action in response to local, national and global challenges and raising funds for the causes that define us as an institution. In 2022–23, over 3,000 alumni took an active role in alumni and supporter engagement programmes which included:

- NCL Connect – communications, events and networks aimed at encouraging alumni to reconnect with each other and the University
- NCL Develop – online and in-person support aimed at helping alumni to develop professionally
- NCL Discover – a lively programme of events that showcases the best of Newcastle University research

Over the course of the year, we held 61 events for alumni, circulated six editions of the University's online alumni magazine *Arches* to a readership of 116,883, and grew the numbers subscribing to alumni social media channels to over 45,000. We have also been especially pleased to launch new international alumni networks in Iraq, Korea, Singapore and Taipei.

NCL in Action is an annual celebration of the University's work in response to major societal challenges. In 2022–23, over 1,250 graduates from all over the world took part under the theme of 'Age Against the Machine: Ageing Better Together'. In 2022, NCL in Action was awarded a Global Circle of Excellence Award by the Campaign for Advancement and Support of Education (CASE).

All Newcastle University graduates are members of Convocation which holds an annual meeting where members discuss the latest University developments. In 2022–23, Nick Richardson was elected as the Chair of Convocation and Clare Talbot-Jones as Deputy Chair.

Philanthropy

In 2021, the first, large-scale fundraising campaign in Newcastle University's history was launched. In 2022–23, we completed the second full year of the Campaign for Newcastle University with substantial impact achieved in raising funds for students, research, campus development and community support. In total, £9.8m was given to the University by 1,192 individual and 91 organisational donors. Highlights of the Campaign have included continued support for University of Sanctuary initiatives, a transformative donation from a Newcastle graduate to create a new enterprise academy, and a substantial legacy that will be put towards capital development of the Health Innovation Neighbourhood site. The Newcastle Student Fund continues to flourish with grants awarded to support scholarships,

the IntoUniversity partnership, cost of living assistance and widening participation in clubs, societies and sports. We are grateful to all who have supported the University in this way and remain especially grateful for the enduring commitment of trustees of the Newcastle University Development Trust.

Philanthropy governance

We are passionate about the value of private giving in support of education, and equally robust and transparent about who we accept donations from and for what purpose. We ensure 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

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 our mission and values and will not in any way constrain academic freedom.*



In spring 2023, NCL in Action invited our community to take part in volunteering activities, attend in-person and virtual events and celebrate the might of a multigenerational society.

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 Privy Council approved changes to the statutes in July 2023 following a period of internal consultation on recommendations arising from an external review of governance carried out by Halpin Partnership, the report from which was considered by Council in December 2022. The main change approved concerns the addition of University Deans to the membership of Senate, reflecting the specific role they have in helping the University to achieve its strategic academic aims.

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, which is 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 2022–23.

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 42–43. Council undertakes regular reviews of its effectiveness using guidance given in The Higher Education Code of Governance. 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 Honorary 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 2022–23, and a joint away-day with Executive Board also took place. Amongst other matters, and in consultation with Senate, Council agreed to:

- invest in the replacement of the University's IT network infrastructure
- invest in the refurbishment of the Students' Union building
- invest in the upgrading of the University's MRI (Magnetic Resonance Imaging) and re-instatement of its PET-MR (Positron Emission Tomography-Magnetic Resonance) provision

- endorse progress with the development of new online programmes in data science
- endorse proposed changes to the Statutes, related to the membership of Senate, subject to final approval from Court and the Privy Council
- council also considered and held discussions on:
 - performance in student surveys
 - the degree outcomes statement and draft submission for the Teaching Excellence Framework
 - the integrated annual equality, diversity and inclusion (EDI) and gender pay gap report
 - biannual strategy performance updates
 - budget and medium-term financial plan
 - redevelopment of Castle Leases student accommodation
 - opportunities provided by the North East Devolution deal

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. At its meeting in July 2023, Council approved the appointment of a new Chair (Pat Ritchie) with effect from 1 August 2024. The chair-elect will serve as Vice-Chair during 2023–24.

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.

Council membership 2022–23

Lay members

Paul Walker (Chair)
 Heidi Mottram (Vice-Chair)
 Angela Russell (Honorary Treasurer)
 David Bird
 Tom Caulker
 Linda Conlon
 Alex Lamb
 Bill MacLeod
 Claire Morgan
 Dianne Nelmes
 Marta Phillips
 Professor Sir Mike Rawlins (until January 2023)
 Pat Ritchie
 Mags Scott
 Nitin Shukla
 Angela Woodburn

Ex officio members

Professor Chris Day (Vice-Chancellor and President)
 Professor Brian Walker (Deputy Vice-Chancellor)

Staff members

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

Student representatives

Madeline Baugh (President, Students' Union)
 Mack Marshall (Education Officer, Students' Union)

Audit, Risk and Assurance Committee

Audit, Risk and Assurance Committee is a committee of Council, comprising a minimum of three lay members of Council and additional lay members. It meets five times each year with the University's internal auditors 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 University's arrangements for value for money.

Audit, Risk and Assurance Committee membership 2022–23

Lay members

Bill MacLeod (Chair)
 David Bird
 Dave Foreman (until June 2023)
 Mike Goodwin
 Marta Phillips
 Mags Scott
 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 2022–23

Ex officio members

Angela Russell (Chair)
 Professor Chris Day
 Professor Brian Walker
 Paul Walker

Lay members

Linda Conlon
 Alex Lamb

Student representative

Madeline Baugh

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 2022–23

Ex officio members

Paul Walker (Chair)
Professor Chris Day
Professor Jane Robinson

Lay members

Hilary Florek
Vikas Kumar
Heidi Mottram
Dianne Nelmes
Sarah Stewart

In appointing new members, the intention is 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 45–49.

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 a member of Council. 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. 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 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 they 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, Pro-Vice-Chancellors and senior

Executive Board membership 2022–23

Professor Chris Day (Vice-Chancellor and President – Chair)
Professor Brian Walker (Deputy Vice-Chancellor)
Professor David Burn (Pro-Vice-Chancellor – Medical Sciences)
Colin Campbell (Registrar)
Justin Cole (Executive Director of External Relations)
Nick Collins (Executive Director of Finance)
Professor Richard Davies (Pro-Vice-Chancellor – Global and Sustainability)
Professor Stephanie Glendinning (Pro-Vice-Chancellor – Science, Agriculture and Engineering)
Professor Matthew Grenby (Interim Pro-Vice-Chancellor – Research and Innovation, from November 2022 until May 2023; Pro-Vice-Chancellor – Research and Innovation, from May 2023)
Professor Nigel Harkness (Pro-Vice-Chancellor – Humanities and Social Sciences)
Professor Jane Robinson (Pro-Vice-Chancellor – Engagement and Place)
Jacqueline Scott (Executive Director of People Services)
Professor Ruth Valentine (Interim Pro-Vice-Chancellor – Education, from April 2023)
Professor Tom Ward (Pro-Vice-Chancellor – Education, until April 2023)

administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with Council.

Occupational Health and Safety

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 (Executive Director of People Services) 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/incident trends are reported to Executive Board each week.

2022–23 saw an increase in accidents reported for students and colleagues and a decrease in the RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents. The accident increase is likely to be caused by raising awareness across the University via various means, this has been an objective agreed by Council. We continue to investigate and monitor accident and incident trends. We have completed 49 of 49 actions in the five-year Health and Safety Strategic Plan, which has come to an end. This is a great result following difficult years during a pandemic where health and safety advice has been continually adjusted and updated. A new five-year Health and Safety strategic plan has been approved by Council. Our Occupational Health and Safety Service continues to work closely with our Health and Wellbeing colleagues to ensure a combined approach. All of our internal Health and Safety audits were completed with action plans developed for

tracking. An external audit was also carried out on the University Health and Safety Management System with only minor risks identified. An action plan has been developed and will be agreed at the University Health and Safety Committee and University Executive Board.

Sickness absence rates decreased from 2.9% in 2021–22 to 2.5% in 2022–23.

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. In relation to the 12 months ended 31 March 2023, 26 colleagues acted as trade union representatives and all spent between 1% and 50% of their working hours on facility time. This totalled 5,428 hours and a total cost of £127,274 (0.04% of total staff costs). 2,481 hours were spent on paid trade union activities (48% of total facility time).

We have had a challenging year with industrial action with University and College Union (UCU) calling a period of continuous action short of strike (ASOS) commencing on 23 November 2022 and discontinuous periods of strike action during November (3 days), February (6 days) and March (6 days) in support of its disputes over USS pensions and pay. Their mandate was then extended in March, and we received further notice of action escalating ASOS to include a marking and assessment boycott (MAB) commencing on 20 April, and a further five days of strike action in June.

In November 2022, 476 colleagues (10.9% of eligible colleagues) participated losing a total of 1,141 days. In February 2023, 382 colleagues (8.8% of eligible colleagues) participated losing a total of 1,594 days. In

March 2023, 356 colleagues (8.2% of eligible colleagues) participated losing a total of 1,402 days and in June, 103 colleagues (2.4% of eligible colleagues) participated losing a total of 314 days. Overall, we lost 4,451 days due to strike action.

For the MAB we have had 175 colleagues declaring participation. 147 continued to be active until 6 September when the action was withdrawn. The MAB had a significant impact in some disciplines, particularly where there were missing marks for final-stage undergraduates. Due to the mitigation measures put in place, all students were able to graduate with a degree award, although one-in-five did so with an interim degree classification or with a classification pending. Students who did not receive a final classification were offered support and guidance to mitigate the impact on plans for employment or further study. Impacted students were also offered a disruption payment in line with guidance from the Office of the Independent Adjudicator (OIA). With the ending of the MAB on 6 September, the University prioritised the return of all remaining marks, holding special exam boards where required. All students have now received their final degree classification.

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 external website at 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 are aligned with 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

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 2022–23 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



Almost 200 people who qualified as teachers before 1970 have been recognised in a special ceremony.

“We are delighted to be able to recognise these colleagues, their achievements and their contribution to education and the teaching profession”

Professor Julie Morris

Statement of internal controls

Council is responsible for ensuring the establishment and monitoring of systems of control and accountability. The internal control environment includes governance structures, delegations, policies, planning and budgetary processes, system controls and management reporting. The systems of internal control are designed in line with the University's risk appetite; further detail is provided in the understanding our risks section (pages 12–13). The University's arrangements are designed to manage, rather than eliminate, risks.

The University requires colleagues and lay members to act honestly and with integrity and to safeguard the public resources for which they are responsible; expectations are outlined in various policies available on the intranet, including the University's Code of Ethics and Standards of Behaviour documents. Issues can be raised through line management structures, People Services or through the Public Interest Disclosure (Whistleblowing) process which provides protection for those making such disclosures who act in good faith.

The Audit, Risk and Assurance Committee supports Council to discharge its duties, by providing an annual opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance. Senior management and Audit, Risk and Assurance Committee receive regular reports from the Internal Audit team, including recommendations and agreed actions for improvement.

The University has an OfS Internal Assurance Framework that is updated throughout the year and reported through Executive Board to Audit, Risk and Assurance Committee and Council on an annual basis. Each condition has a named senior management lead. A broader compliance and assurance framework setting out all areas of our legal and regulatory compliance is in development.

Overall, in respect of the year ended 31 July 2023, Council is satisfied that the University's internal control arrangements are effective.

Public disclosure

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

Major incidents during the year

The University and College Union voted to engage in industrial action due to disputes related to pay and the Universities Superannuation Pension Scheme (USS). Three days of strike action in November 2022, and the commencement of continuous action short of a strike, were followed by a further 17 days of strike action in February and March 2023 and the declaration of a marking and assessment boycott. At its meeting in November 2022, Senate resolved that the Industrial Action constituted an Emergency Situation and agreed on the implementation of guidance to mitigate disruption to programme delivery, examinations and assessment in line with University Regulations. An Education Continuity Group was also established to monitor the academic implications of industrial action.

In June 2023, Henderson Old Hall, a disused student accommodation building, was severely damaged by fire. The University remains in the process of assessing the damage

to the listed building to evaluate safety and future options.

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 cybersecurity. This approach was discussed with and agreed by Council who paid special attention to issues of student mental health, the impact of the cost of living crisis on students, health and wellbeing strategy for colleagues, and financial sustainability.

The University notified the OfS of one reportable event in June 2023, relating to the marking and assessment boycott (MAB) declared by the University and College Union (UCU), more information on this can be found within the corporate governance overview on page 41.

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 sixth Gender Pay Gap Report based on the statutory reporting period 1 April 2021 to 31 March 2022. The report highlights areas that have informed a Pay Gap Action Plan which supports addressing areas where pay gaps continue to be higher than we would expect. The action plan will be focused on addressing areas of under-representation. We have also made a significant commitment to our recognised Trade Unions to work together on closing the pay gaps over the course of the next seven years. 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 45–47)

Remuneration Committee

Remuneration Committee membership was unchanged from the previous financial year.

Remuneration Committee membership 2022–23

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.

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 is produced detailing specific matters within the remit of or considered by the Remuneration Committee in that 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

Remuneration report *(continued)*

The Committee met in November 2022 and June 2023. It considered, and where appropriate approved, the following:

- a revised Senior Remuneration Policy that covers members of Executive Board which explicitly sets out how remuneration for Executive Board is determined and ensures that it meets its objective to attract, retain and motivate senior colleagues required to run the University successfully and to secure good value for money bearing in mind the University's charitable purpose
- received, considered and discussed the University's broader reward strategy in relation to progress on pay equality via the Gender Pay Gap Report 2022
- determined and reviewed the salary of the Vice-Chancellor and President, in line with the University's Executive Remuneration Policy
- received reliable, up-to-date information about Vice-Chancellor and President remuneration in other universities of comparable scale and complexity
- determined and reviewed the salaries and terms and conditions (including severance payments and any allowances) of the other members of Executive Board
- received updates on Merit Award Committee's decisions on the salaries and allowances of other colleagues on the Grade IB (professorial and equivalent) scale. These updates are intended to provide contextual

information on reward practice to assist Remuneration Committee in their work

- received annual updates on remuneration practice across overseas campuses
- received information that confirmed the financial framework and scheme of delegation for authorising severance for senior colleagues was followed; ensuring that the needs of the institution are balanced against the proportionate use of funds, payments made are fair to the individual and the University, that failure is not rewarded and that the duty to mitigate loss is fully recognised
- reviewed the Annual Remuneration report included within the Integrated Annual Financial Report and Accounts
- received and reviewed annual returns for senior colleagues under the jurisdiction of Remuneration Committee relating to Declaration of External Interests and income derived from external sources in accordance with the University Policy on Declaration of External Interests

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.

Gender pay gap

We are in our sixth year of reporting, and this year we have continued

to focus on understanding and analysing our pay gap data beyond the headlines and statutory reporting requirements. We have invested in deep dive analysis across a range of occupational groupings, grades and job families to better understand the elements of our processes and procedures which may be impacting our gender pay gap and how these can be improved.

Gender pay quartiles

The overall gender distribution of our workforce is 56% female and 44% male. The upper quartile and the lower quartile record the largest pay gaps due to their distribution and although there has been movement in two of the four quartiles since last year; female colleague representation has increased by 3% in the lower middle quartile and male colleague representation has increased by 1% in the lower quartile – the upper quartile holds 34% of all male colleagues and only 18% of all female colleagues. This is reversed in the lower quartile which holds 19% of all male colleagues and 30% of all female colleagues. This is a major factor in driving our gender pay gap.

Mean and median figures

The median pay gap has decreased by 2.0%. The mean has increased by 0.5%. This increase has occurred due to clinical excellence payments paid in the relevant payment period now being included in the calculations, which are predominantly paid to male colleagues.

The median bonus gap has gone from 82.3% in favour of males to 122.2% in favour of females. This

large year-on-year change has occurred due to a much greater number of smaller bonus amounts (Spotlight Awards) being made to male colleagues, affecting the median. The mean has decreased from 76.5% in favour of males to 51.5% in favour of males, a decrease of 25%.

When viewed by job family, role seniority appears to be driving the pay gap, with more males holding senior positions. By occupational group, both Academic and Professional Services are in favour of males. When splitting academic out into clinical and non-clinical, the pay gap for clinical remains heavily in favour of males, but the bonus gap reduces greatly.

Ethnicity and disability

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.

Ethnicity

When including clinical excellence payments, the median pay gap is 4.5% in favour of other ethnicities and the mean pay gap is 2.8%. When excluding the clinical

excellence payments, the median remains unchanged, however the mean slightly increases to 3.0%.

The median bonus gap is 13.3% in favour of other ethnicity employees. The value differential for the median payments is £100. The mean bonus gap is also in favour of other ethnicity employees, at 68.6%.

Due to the imbalance in representation of colleagues from minoritised ethnic backgrounds across our two major occupational groupings – Professional Services and academic – the overall ethnicity pay gap is not a meaningful indicator of racial equality. Colleagues from minoritised ethnic backgrounds were better represented among the academic occupational group, which has a higher average salary, with the representation of other ethnicities in the lower quartile being at least half that of other quartiles. This will be driving the overall pay gaps in favour of other ethnicities.

Disability

Whilst the median and mean pay gap for disabled colleagues has decreased year on year by 0.2% for mean and 2.8% for the median, it reflects the distribution of disabled colleagues and outliers

in the high end of the distribution. We know this is true as only 3% of the upper quartile is occupied by disabled colleagues but 6% of the lower quartile is occupied by disabled colleagues. Newcastle University's overall disability distribution is 92% non-disabled, 4% disabled and 4% of colleagues did not make a declaration. The gaps have decreased when compared to the previous year.

Next steps for addressing pay gaps

We are continuing to work to analyse and validate the data we have collected from this year's pay gap reporting exercise at a more granular level. This goes beyond the basic features of pay and reward; from recruitment to succession planning, workforce development and our very culture; working collaboratively with colleagues, network groups and union colleagues, we will examine the whole employee lifecycle. Taking a holistic approach, we will develop and evolve our actions and underpin the work we continue to take forward within our Athena Swan and REC Action Plans which look to address under-representation across colleague groups.



Martin Luther King statue in the Armstrong Quadrangle

Overall colleague costs			
Data	Underlying colleague costs £m	Total underlying income £m	Underlying colleague costs as % of income
2020–21	312.1	536.4	58.2%
2021–22	325.2	558.6	58.2%
2022–23	345.9	608.3	56.9%

Remuneration report *(continued)*

Audited information (pages 48–49)

Payments to key management personnel	2022–23 £m	2021–22 £m
Key management personnel compensation: Salary and benefits (including employer's pension contributions)	3.0	3.0

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 40.

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 £0.6m to 133 former colleagues in respect of loss of office (2021–22: £0.5m to 103 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 £600m and almost 6,500 colleagues
- the accountability for sustaining a high-quality educational experience for students and world-leading research portfolio

Professor Day, as with all colleagues, received a salary increase in August 2022 in line with the Universities and Colleges Employers Association (UCEA) New Joint Negotiating Committee for Higher Education Staff (JNCHES) National Pay Bargaining decision of 3% cost of living increase. The pay negotiations for 2023–2024 provided for a 5% uplift. The first part of the implementation of this pay award was applied in February 2023 (2%) with the remainder to apply in August 2023.

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 Vice-Chancellor and President's basic salary is 9.3 times the median basic salary of colleagues (2021–22: 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.

The Vice-Chancellor and President's total remuneration is 9.2 times the median total remuneration of colleagues (2021–22: 9.3) 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 opposite.

Salary Band	Clinical	Non-Clinical	2022–23 Total	2021–22 Total
£100,000–£104,999	15	16	31	38
£105,000–£109,999	9	19	28	25
£110,000–£114,999	16	18	34	18
£115,000–£119,999	2	6	8	24
£120,000–£124,999	17	11	28	15
£125,000–£129,999	7	7	14	13
£130,000–£134,999	8	3	11	7
£135,000–£139,999	5	1	6	8
£140,000–£144,999	4	1	5	9
£145,000–£149,999	6	5	11	17
£150,000–£154,999	10	3	13	5
£155,000–£159,999	4	2	6	2
£160,000–£164,999	4	1	5	5
£165,000–£169,999	1	-	1	2
£170,000–£174,999	1	2	3	5
£175,000–£179,999	1	1	2	1
£180,000–£184,999	-	2	2	2
£185,000–£189,999	1	1	2	-
£200,000–£204,999	1	-	1	-
£325,000–£329,999	-	-	-	1
£340,000–£344,999	1	-	1	-
	113	99	212	197

Remuneration for the Vice-Chancellor and President	2022–23 £'000	2021–22 £'000
Salary	341.2	328.0
Allowance in lieu of pension contributions	41.6	41.5
Benefits in kind	-	-
Total remuneration	382.8	369.5
Employer pension contributions	21.5	18.3
Total staff costs	404.3	387.8



The Walton Library is the faculty library for Medical Sciences, serving the Schools of Medicine, Dentistry, Psychology and Biomedical Sciences as well as the Graduate School and research institutes of the faculty. It is named after Lord John Walton, former Dean of Medicine at the University and renowned neurologist.

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 2023 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 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Newcastle University's group financial statements and parent institution financial statements (the 'financial statements'):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2023 and of the group's and of the 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 (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 2025.

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 annual report, other than the financial statements and our auditor's report thereon. The Council are responsible for the other information contained

within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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:

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

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 parent institution's grant and fee income, as disclosed in note 1 to the financial statements, has been materially misstated
- the parent institution'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 43, the Council are 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 intends to liquidate the group or the parent institution or to cease operations, or has 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 entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the 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 group's 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 group and institution'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.
- 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 Council;
- In addressing the risk of management override of controls we tested specific journal entries identified by applying risk criteria to the entire population of journals. 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](https://www.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, 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
12 January 2024



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 2023, the Group held cash, cash equivalents and short-term deposits of £217.7m with robust measures in place to monitor and manage cash balances. Borrowings, which are all unsecured, were £95.0m (Note 19) and lease obligations were £23.2m (Note 27). We complied with all covenant requirements for existing borrowing and compliance with measures required by OfS at 31 July 2023. Subsequent to the year end the University held cash, cash equivalents and short-term deposits of £267.4m at 31 October 2023 and no further borrowing had been put in place. In addition, on 3 October 2023 the University secured a £75m Revolving Credit Facility which provides seven year unsecured committed funding to support the University with effective utilisation of its funds over the medium and long-term, whilst maintaining target liquidity levels. Student recruitment in autumn 2023 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 2024 and for the financial years beyond that date and forecast significant headroom in covenant compliance at 31 July 2024 and 31 July 2025.

Council has reviewed financial forecasts, including plans for future student recruitment, as well as the strategies, plans and processes in place which will help the University move towards the achievement of its strategy. 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 has considered cash flow forecasts

from the date of approval of these financial statements to 31 July 2025, 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 2025.

The scenarios modelled include the following key assumptions, for the severe but plausible downside scenario:

- no growth in international UG tuition fees;
- 30% reduction in home PG tuition fees;
- 5% non-pay inflation increase;
- 1% staff costs inflation increase; and
- removal of all new income.

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

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 2023. 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

Statement of Principal Accounting Policies *(continued)*

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. The assets of the scheme are held in a separate trustee-administered fund. 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. Termination benefits such as severance payments are recognised as an expense immediately on commitment.

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.

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

Investments are measured in accordance with accounting policy 16.

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

16. Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (ie deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date.

Statement of Principal Accounting Policies *(continued)*

If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost, the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. Trade payables are obligations to pay for goods and services that

have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

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. 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.

21. 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.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results

in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense recognised as expenditure in accordance with Section 28 of FRS 102. 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 makes 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, or macroeconomic or other external market factors,

such as is the case for University's joint venture and associate operations, 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 2023

INCOME	Note	CONSOLIDATED		UNIVERSITY	
		2023 £m	2022 £m	2023 £m	2022 £m
Tuition fees and education contracts	2	302.3	286.9	286.2	270.9
Funding body grants	3	89.9	78.6	89.9	78.6
Research grants and contracts	4	119.3	109.6	119.3	109.6
Other income	5	79.7	68.0	80.0	68.8
Investment income	6	6.1	1.7	6.0	1.5
Donations and endowments	7	11.0	13.8	11.0	13.8
Total income		608.3	558.6	592.4	543.2
EXPENDITURE					
Staff costs before USS pension and RBP curtailment adjustments	8	347.0	327.9	339.3	320.6
RBP curtailment credit	8	–	(16.1)	–	(16.1)
Movement in USS pension liability	8	(31.2)	97.5	(31.2)	97.5
Total staff costs		315.8	409.3	308.1	402.0
Other operating expenses	9	214.4	192.6	209.9	187.8
Depreciation	13	33.5	32.3	32.5	31.1
Interest and other finance costs	10	9.6	5.4	7.5	3.4
Total expenditure	11	573.3	639.6	558.0	624.3
Surplus/(deficit) before other gains/(losses) and share of deficit of joint ventures and associate		35.0	(81.0)	34.4	(81.1)
Gain on revaluation of investments	14	1.9	–	–	–
Loss on impairment of non-current assets	13	(3.7)	(4.4)	–	(4.4)
Gain/(loss) on investments	21	2.3	(12.3)	2.3	(12.3)
Share of deficit in joint ventures	15	(4.4)	(0.4)	–	–
Share of deficit in associate	16	(0.3)	(0.1)	–	–
Surplus/(deficit) before tax		30.8	(98.2)	36.7	(97.8)
Taxation	12	(0.4)	(0.6)	(0.1)	(0.1)
Surplus/(deficit) for the year		30.4	(98.8)	36.6	(97.9)
OTHER COMPREHENSIVE INCOME					
Actuarial (loss)/gain in respect of pension scheme	29	(35.9)	68.9	(35.9)	68.9
Total comprehensive (expenditure)/income for the year		(5.5)	(29.9)	0.7	(29.0)
Represented by:					
Endowment comprehensive expenditure for the year	21	(0.5)	(14.2)	(0.5)	(14.2)
Restricted comprehensive income for the year	22	0.2	0.2	0.2	0.2
Unrestricted comprehensive (expenditure)/income for the year		(5.2)	(15.9)	1.0	(15.0)
Attributable to the University		(5.5)	(29.9)	0.7	(29.0)

All items of income and expenditure arise from continuing operations.

Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2023

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 2021	101.8	0.8	387.9	490.5	0.1	490.6
Deficit/surplus 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 (expenditure)/income for the year	(14.2)	0.2	(15.9)	(29.9)	–	(29.9)
Balance at 1 August 2022	87.6	1.0	372.0	460.6	0.1	460.7
Surplus for the year	4.2	9.8	16.4	30.4	–	30.4
Other comprehensive income	–	–	(35.9)	(35.9)	–	(35.9)
Release of endowment and restricted funds spent	(4.7)	(9.6)	14.3	–	–	–
Total comprehensive (expenditure)/income for the year	(0.5)	0.2	(5.2)	(5.5)	–	(5.5)
Balance at 31 July 2023	87.1	1.2	366.8	455.1	0.1	455.2
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 2021	101.8	0.8	400.6	503.2	–	503.2
Deficit/surplus 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 (expenditure)/income for the year	(14.2)	0.2	(15.0)	(29.0)	–	(29.0)
Balance at 1 August 2022	87.6	1.0	385.6	474.2	–	474.2
Surplus for the year	4.2	9.8	22.6	36.6	–	36.6
Other comprehensive income	–	–	(35.9)	(35.9)	–	(35.9)
Release of endowment and restricted funds spent	(4.7)	(9.6)	14.3	–	–	–
Total comprehensive income/(expenditure) for the year	(0.5)	0.2	1.0	0.7	–	0.7
Balance at 31 July 2023	87.1	1.2	386.6	474.9	–	474.9

Consolidated and University Statement of Financial Position

as at 31 July 2023

	Note	CONSOLIDATED		UNIVERSITY	
		2023 £m	2022 £m	2023 £m	2022 £m
NON-CURRENT ASSETS					
Tangible assets	13	619.1	609.8	607.4	592.2
Investments	14	92.2	89.8	94.0	93.5
Investment in joint ventures	15	0.3	3.9	–	–
Investment in associate	16	–	0.3	–	–
		<u>711.6</u>	<u>703.8</u>	<u>701.4</u>	<u>685.7</u>
CURRENT ASSETS					
Stocks in hand		1.4	1.3	1.4	1.3
Trade and other receivables	17	60.1	59.9	74.1	75.6
Short-term liquid deposits		44.5	72.2	44.5	72.2
Cash and cash equivalents	23	173.2	145.9	161.6	133.4
		<u>279.2</u>	<u>279.3</u>	<u>281.6</u>	<u>282.5</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	18	(213.4)	(205.3)	(207.1)	(200.0)
NET CURRENT ASSETS					
		<u>65.8</u>	<u>74.0</u>	<u>74.5</u>	<u>82.5</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>777.4</u>	<u>777.8</u>	<u>775.9</u>	<u>768.2</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	19	(137.4)	(144.1)	(116.2)	(121.0)
PENSION PROVISIONS					
	20	(184.8)	(173.0)	(184.8)	(173.0)
TOTAL NET ASSETS					
		<u>455.2</u>	<u>460.7</u>	<u>474.9</u>	<u>474.2</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	80.0	80.4	80.0	80.4
Income and expenditure reserve – restricted reserve	22	1.2	1.0	1.2	1.0
UNRESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	7.1	7.2	7.1	7.2
Income and expenditure reserve – unrestricted reserve		366.8	372.0	386.6	385.6
		<u>455.1</u>	<u>460.6</u>	<u>474.9</u>	<u>474.2</u>
NON-CONTROLLING INTEREST					
		0.1	0.1	–	–
TOTAL RESERVES					
		<u>455.2</u>	<u>460.7</u>	<u>474.9</u>	<u>474.2</u>

The accompanying statement of principal accounting policies and Notes 1 to 33 form part of these financial statements. The financial statements were approved by Council on 12 January 2024 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 2023

	Note	2023 £m	2022 £m
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus/(deficit) before taxation		30.8	(98.2)
Taxation		(0.4)	(0.6)
Surplus/(deficit) after taxation		<u>30.4</u>	<u>(98.8)</u>
Adjustment for non-cash items			
Depreciation	13	33.5	32.3
(Gain)/loss on investments	14, 21	(4.2)	12.3
Increase in stock		(0.1)	(0.2)
Decrease/(increase) in debtors		0.7	(10.5)
Increase in creditors		7.4	15.6
Decrease in provisions		–	(0.7)
(Decrease)/increase in pension provision/asset		(24.1)	89.0
Share of deficit in joint ventures	15	4.4	0.4
Share of deficit in associate	16	0.3	0.1
Adjustment for investing or financing activities			
Investment income	6	(6.0)	(1.7)
Interest payable		3.8	3.8
Endowment income	21	(1.2)	(1.7)
Impairment of non-current assets		3.7	4.4
Capital grant income		(5.3)	(3.1)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>43.3</u>	<u>41.2</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grants receipts		5.3	3.1
Proceeds from sale of endowment investments		69.6	2.5
Payments made to acquire endowment investments		(67.7)	–
Investment income		5.1	1.5
Payments made to acquire tangible assets		(47.7)	(31.0)
New investment in joint ventures and associate		(0.1)	(0.1)
Decrease/(increase) in short-term liquid deposits		27.7	(0.1)
		<u>(7.8)</u>	<u>(24.1)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	10	(1.7)	(1.8)
Interest element of finance lease		(2.0)	(2.0)
Endowment cash received	21	1.2	1.7
Repayments of unsecured loans		(1.6)	–
Repayments of amounts borrowed		(4.0)	(4.0)
Capital element of finance lease		(0.1)	–
		<u>(8.2)</u>	<u>(6.1)</u>
INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		<u>27.3</u>	<u>11.0</u>
Cash and cash equivalents at beginning of the year	23	145.9	134.9
Cash and cash equivalents at end of the year	23	<u>173.2</u>	<u>145.9</u>

Notes to the Financial Statements

1 SOURCE OF GRANT AND FEE INCOME

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£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	29.7	28.9	29.7	28.9
Grant income from other bodies	60.3	49.7	60.3	49.7
Fee income for taught awards	282.6	268.0	266.5	252.0
Fee income for research awards	13.2	13.1	13.2	13.1
Fee income from non-qualifying courses	6.4	5.8	6.4	5.8
	<u>392.2</u>	<u>365.5</u>	<u>376.1</u>	<u>349.5</u>

2 TUITION FEES AND EDUCATION CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Full-time students	169.9	171.5	169.9	171.5
Full-time students charged overseas fees, UK taught	106.8	90.6	106.8	90.6
Full-time students charged overseas fees, overseas taught	16.1	16.0	–	–
Part-time fees	3.1	3.0	3.1	3.0
Research training support grants	3.5	4.4	3.5	4.4
Short courses	2.9	1.4	2.9	1.4
	<u>302.3</u>	<u>286.9</u>	<u>286.2</u>	<u>270.9</u>

3 FUNDING BODY GRANTS

	CONSOLIDATED AND UNIVERSITY	
	2023	2022
	£m	£m
Recurrent grant	72.7	63.6
Specific grants	10.4	11.0
Capital Investment Framework (CIF) grants	6.8	4.0
	<u>89.9</u>	<u>78.6</u>

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

4 RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED AND UNIVERSITY	
	2023	2022
	£m	£m
Research councils	37.2	32.0
UK charities	26.7	25.6
UK government	30.4	29.1
European Commission	8.3	10.1
Other grants and contracts	16.7	12.8
	<u>119.3</u>	<u>109.6</u>

5 OTHER INCOME

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Residences, catering and conferences	22.1	19.7	22.1	19.7
Other services rendered	25.5	20.9	25.4	20.9
Health authorities	9.5	8.8	9.5	8.8
Other capital grants	–	0.3	–	0.3
Other income	22.6	18.3	22.1	17.3
Income from subsidiary companies	–	–	0.9	1.8
	<u>79.7</u>	<u>68.0</u>	<u>80.0</u>	<u>68.8</u>

Contained within Other income is an amount of £nil (2022: £77,605) which relates to income received under the Coronavirus Job Retention Scheme.

6 INVESTMENT INCOME

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Investment income on endowments (Note 21)	0.7	0.6	0.7	0.6
Other investment income	5.3	1.1	5.2	0.9
Net return on pension scheme (Note 29)	0.1	–	0.1	–
	<u>6.1</u>	<u>1.7</u>	<u>6.0</u>	<u>1.5</u>

7 DONATIONS AND ENDOWMENTS

	CONSOLIDATED AND UNIVERSITY	
	2023	2022
	£m	£m
New endowments net of transfers out from expendable endowments (Note 21)	1.2	1.7
Donations with restrictions	9.8	6.9
Unrestricted donations	–	5.2
	<u>11.0</u>	<u>13.8</u>

8 STAFF

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Staff costs				
Salaries	252.1	233.7	244.6	226.6
Social security costs	26.4	24.8	26.2	24.6
Other pension costs (Note 29)	67.1	63.4	67.1	63.4
RBP pension service cost adjustment (Note 20)	1.4	6.0	1.4	6.0
Total before USS pension and RBP curtailment adjustments	<u>347.0</u>	<u>327.9</u>	<u>339.3</u>	<u>320.6</u>
RBP pension curtailment credit (Note 29)	–	(16.1)	–	(16.1)
(Credit)/charge to staff costs as a result of USS pension provision (Note 20)	(31.2)	97.5	(31.2)	97.5
	<u>315.8</u>	<u>409.3</u>	<u>308.1</u>	<u>402.0</u>

We paid a total of £0.6m to 133 former colleagues in respect of loss of office (2022: £0.5m to 103 former colleagues). Further audited information and disclosures as required by the OfS Accounts direction are included in the Remuneration report on pages 45–49.

Staff numbers

	2023	2022
	Average FTEs	Average FTEs
Academic	1,805	1,764
Support	3,281	3,205
Research	941	982
	<u>6,027</u>	<u>5,951</u>

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

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Professional fees and bought-in services	56.7	50.2	55.7	49.3
Staff-related expenditure	24.7	17.1	24.1	16.7
Student scholarships, bursaries and prizes	28.9	25.8	28.7	25.7
Consumables and laboratory expenditure	18.7	16.6	18.3	16.1
Non-capitalised equipment purchases and maintenance	23.8	19.1	23.9	18.8
Operating lease rentals – land and buildings	7.3	6.8	7.1	6.6
Rents, rates and insurance	4.2	5.6	3.2	4.8
Heat, light, water and power	15.3	11.7	15.0	11.4
Building maintenance	11.0	9.6	10.7	9.5
Books and periodicals	7.1	6.9	7.1	6.9
NHS and agency staff	5.9	6.6	5.9	6.6
Communications, advertising and publicity	3.3	3.1	2.6	2.7
Students' Union annual subvention	2.6	2.2	2.6	2.2
Other expenditure	4.9	11.3	5.0	10.5
	<u>214.4</u>	<u>192.6</u>	<u>209.9</u>	<u>187.8</u>

Professional fees and bought-in services include auditor's remuneration in respect of audit services for the Group of £291,545 to Ernst & Young LLP (2022: £212,755) and for the University of £238,608 (2022: £170,400) as well as £21,600 (2022: £21,600) for the Group to Azets Audit Services. In respect of non-audit services, remuneration amounted to £9,550 (2022: £9,550) for the Group and £7,800 (2022: £7,800) for the University.

10 INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Loan interest	1.7	1.8	1.7	1.8
Finance lease interest	2.1	2.0	–	–
Net charge on pension schemes (Note 29)	5.8	1.6	5.8	1.6
	<u>9.6</u>	<u>5.4</u>	<u>7.5</u>	<u>3.4</u>

11 ANALYSIS OF EXPENDITURE BY ACTIVITY

	CONSOLIDATED				2023	2022
	Staff Costs	Operating Expenses	Depreciation	Interest and Other Finance Costs		
	£m	£m	£m	£m	£m	£m
Academic schools	193.7	41.1	3.5	–	238.3	223.6
Academic services	32.7	36.9	0.7	–	70.3	58.5
Administration and central services	40.1	56.4	–	–	96.5	85.5
Premises	12.9	36.1	20.8	2.0	71.8	64.9
Residences, catering and conferences	4.5	7.5	4.6	–	16.6	14.9
Research grants and contracts	57.2	38.8	–	–	96.0	89.4
Other expenditure	(25.3)	(2.4)	3.9	7.6	(16.2)	102.8
Total	<u>315.8</u>	<u>214.4</u>	<u>33.5</u>	<u>9.6</u>	<u>573.3</u>	<u>639.6</u>

Administration and central services and research grants and contracts include £26.7m (2022: £23.8m) and £2.1m (2022: £1.9m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

	UNIVERSITY				2023	2022
	Staff Costs	Other Operating Expenses	Depreciation	Interest and Other Finance Costs		
	£m	£m	£m	£m	£m	£m
Academic schools	186.0	36.8	2.6	–	225.4	209.6
Academic services	32.7	36.8	0.7	–	70.2	58.3
Administration and central services	40.1	56.4	–	–	96.5	85.5
Premises	12.9	36.0	20.7	–	69.6	64.5
Residences, catering and conferences	4.5	7.5	4.6	–	16.6	14.9
Research grants and contracts	57.2	38.8	–	–	96.0	89.4
Other expenditure	(25.3)	(2.4)	3.9	7.5	(16.3)	102.1
Total	<u>308.1</u>	<u>209.9</u>	<u>32.5</u>	<u>7.5</u>	<u>558.0</u>	<u>624.3</u>

Administration and central services and research grants and contracts include £26.7m (2022: £23.8m) and £2.1m (2022: £1.9m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards.

12 TAXATION

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Malaysian corporation tax at 24%	0.3	0.5	–	–
Malaysian withholding tax at 8%	0.1	0.1	0.1	0.1
	<u>0.4</u>	<u>0.6</u>	<u>0.1</u>	<u>0.1</u>

Notes to the Financial Statements *(continued)*

13 TANGIBLE ASSETS

	CONSOLIDATED					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold	Leasehold	Short			
£m	£m	£m	£m	£m	£m	
Cost						
Balance at 1 August 2022	648.9	156.4	21.5	27.8	121.8	976.4
Additions	–	–	–	38.7	9.0	47.7
Disposals	–	–	–	–	(45.9)	(45.9)
Foreign exchange retranslation	–	(1.2)	–	–	–	(1.2)
Transfers from assets under construction	4.7	3.9	–	(8.6)	–	–
Balance at 31 July 2023	653.6	159.1	21.5	57.9	84.9	977.0
Depreciation						
Balance at 1 August 2022	155.4	87.4	13.7	–	110.1	366.6
Charge for year	20.8	4.4	0.8	–	7.5	33.5
Disposals	–	–	–	–	(45.9)	(45.9)
Impairment	3.7	–	–	–	–	3.7
Balance at 31 July 2023	179.9	91.8	14.5	–	71.7	357.9
Net Book Value						
At 31 July 2023	473.7	67.3	7.0	57.9	13.2	619.1
At 1 August 2022	493.5	69.0	7.8	27.8	11.7	609.8

At 31 July 2023, freehold land and buildings included £79.4m (2022: £79.4m) in respect of freehold land which is not depreciated. The net book value of assets held under finance leases at 31 July 2023 is £14.1m (2022: £16.1m) and the related depreciation charge for the year was £0.7m (2022: £0.8m).

	UNIVERSITY					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold	Leasehold	Short			
£m	£m	£m	£m	£m	£m	
Cost						
Balance at 1 August 2022	647.8	133.4	19.4	27.7	119.9	948.2
Additions	–	–	–	38.7	9.0	47.7
Disposals	–	–	–	–	(45.9)	(45.9)
Transfers from assets under construction	4.7	3.9	–	(8.6)	–	–
Balance at 31 July 2023	652.5	137.3	19.4	57.8	83.0	950.0
Depreciation						
Balance at 1 August 2022	155.4	80.5	12.2	–	107.9	356.0
Disposals	–	–	–	–	(45.9)	(45.9)
Charge for year	20.8	3.6	0.7	–	7.4	32.5
Balance at 31 July 2023	176.2	84.1	12.9	–	69.4	342.6
Net Book Value						
At 31 July 2023	476.3	53.2	6.5	57.8	13.6	607.4
At 1 August 2022	492.4	52.9	7.2	27.7	12.0	592.2

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	
	2023	2022	2023	2022
	£m	£m	£m	£m
Shares in subsidiary undertakings at cost less amounts written off	–	–	3.7	3.7
As at 1 August and 31 July	–	–	–	–
Other investments other than loans at cost				
At 1 August	0.3	0.3	0.3	0.3
Other movements in year	1.9	–	–	–
At 31 July	2.2	0.3	0.3	0.3
Equities and non-equity investments relating to endowments	90.0	89.5	90.0	89.5
Total non-current investments	92.2	89.8	94.0	93.5

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 of Ordinary Shares %	Nature of Business
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 Construction Company Limited	England and Wales	100	Provides construction services to the University. 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.
VOICE Italia S.R.L. Impresa Sociale	Italy	70	Provides community engagement to the ageing population in Italy.

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

The registered address for all subsidiaries registered in Italy is: Milano Via Monte Rosa, 19/B Cap 20149, Italy

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	
		2023 £m	2022 £m	2023 £m	2022 £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		
			2023 £m	2022 £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 Health Innovation Neighbourhood in Newcastle upon Tyne.		

Share of operating deficits:

INTO Newcastle University LLP	0.1	(0.2)
Newcastle Genr8 Kajima LLP	(0.1)	–
Newcastle Science Central LLP	–	–
Newcastle Science Central Management LLP	(4.3)	(0.1)
Newcastle Science Central Developments LLP	(0.1)	(0.1)
	<u>(4.4)</u>	<u>(0.4)</u>

Share of gross assets:

INTO Newcastle University LLP	7.7	6.3
Newcastle Genr8 Kajima LLP	–	–
Newcastle Science Central LLP	2.5	2.5
Newcastle Science Central Management LLP	5.6	5.6
Newcastle Science Central Developments LLP	0.8	0.8
	<u>16.6</u>	<u>15.2</u>

Share of gross liabilities:

INTO Newcastle University LLP	(8.4)	(7.1)
Newcastle Genr8 Kajima LLP	(0.1)	–
Newcastle Science Central LLP	(2.4)	(2.4)
Newcastle Science Central Management LLP	(5.4)	(1.1)
Newcastle Science Central Developments LLP	(0.8)	(0.7)
	<u>(17.1)</u>	<u>(11.3)</u>

Share of net assets/(liabilities):

INTO Newcastle University LLP	(0.7)	(0.8)
Newcastle Genr8 Kajima LLP	(0.1)	–
Newcastle Science Central LLP	0.1	0.1
Newcastle Science Central Management LLP	0.2	4.5
Newcastle Science Central Developments LLP	–	0.1
	<u>(0.5)</u>	<u>3.9</u>

Notes to the Financial Statements *(continued)*

16 INVESTMENT IN ASSOCIATE

Name of Company/Registered Office	Holding of Ordinary Shares %	Nature of Business	2023		2022	
			£m	£m	£m	£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.				
			(0.3)	(0.1)		
			2.4	2.4		
			(2.4)	(2.1)		
			–	0.3		

17 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2023 £m	2022 £m	2023 £m	2022 £m
Research grants receivable	25.7	20.1	25.7	20.1
Other trade receivables	16.3	19.3	15.8	19.1
Amounts owed by subsidiary undertakings	–	–	16.3	18.2
Prepayments and accrued income	16.1	17.7	15.7	17.4
Other debtors	2.0	2.8	0.6	0.8
	<u>60.1</u>	<u>59.9</u>	<u>74.1</u>	<u>75.6</u>

Contained within consolidated other debtors is an amount of £nil (2022: £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	
	2023 £m	2022 £m	2023 £m	2022 £m
Obligations under finance leases (Note 27)	2.1	2.2	–	–
Fixed-term, unsecured loans	4.3	5.8	4.3	5.8
Research collaborator creditors	55.1	46.9	55.1	46.9
Other creditors	7.3	8.8	6.3	8.5
Social security and other taxation payable	13.3	11.4	12.8	11.4
Accruals and deferred income	131.3	130.2	128.6	127.4
	<u>213.4</u>	<u>205.3</u>	<u>207.1</u>	<u>200.0</u>

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	
	2023 £m	2022 £m	2023 £m	2022 £m
Research grants received on account	52.2	54.7	52.2	54.7
Tuition fees and education contracts	0.6	1.1	0.6	1.1
Funding body grants	0.5	0.8	0.5	0.8
Other income	20.3	19.0	20.3	19.0
Donations	0.1	0.1	0.1	0.1
	<u>73.7</u>	<u>75.7</u>	<u>73.7</u>	<u>75.7</u>

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2023 £m	2022 £m	2023 £m	2022 £m
Fixed-term, unsecured loans	90.7	94.8	90.7	94.8
Accruals and deferred income	25.6	26.3	25.5	26.2
Obligations under finance leases (Note 27)	21.1	23.0	–	–
	<u>137.4</u>	<u>144.1</u>	<u>116.2</u>	<u>121.0</u>

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2023 £m	2022 £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	–	0.2	1.7
Fixed-term, unsecured loans repayable within one year (Note 18)		<u>4.3</u>	<u>5.8</u>

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2023 £m	2022 £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	0.4	0.5
Infrastructure and refurbishment loan due after more than five years	1.87	72.0	76.0
Heat Networks Investment Project loan due after more than five years	0.19	2.3	2.3
Fixed-term, unsecured loans repayable after more than one year		<u>90.7</u>	<u>94.8</u>
		<u>95.0</u>	<u>100.6</u>

20 PENSION PROVISIONS

	CONSOLIDATED AND UNIVERSITY		
	Obligations to fund deficit on USS Pension (Note 29) £m	RBP defined benefit obligation (Note 29) £m	Total pension provisions £m
At 1 August 2022	173.0	–	173.0
Increase/(decrease) in staff costs	(31.2)	1.4	(29.8)
Pension finance interest charge/(credit)	5.8	(0.1)	5.7
Actuarial loss	–	35.9	35.9
Obligation at 31 July 2023 (Note 29)	<u>147.6</u>	<u>37.2</u>	<u>184.8</u>

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.

Notes to the Financial Statements *(continued)***21 ENDOWMENT RESERVES**

	CONSOLIDATED AND UNIVERSITY					
	Unrestricted permanent	Restricted permanent	Restricted expendable	Restricted Total	2023 Total	2022 Total
	£m	£m	£m	£m	£m	£m
At 1 August						
Capital	2.8	19.2	16.7	35.9	38.7	37.0
Unapplied return	4.4	29.6	14.9	44.5	48.9	64.8
	<u>7.2</u>	<u>48.8</u>	<u>31.6</u>	<u>80.4</u>	<u>87.6</u>	<u>101.8</u>
New endowments	–	0.6	0.6	1.2	1.2	1.7
Increase/(decrease) in market value of investments	0.2	1.3	0.8	2.1	2.3	(12.3)
Income	0.1	0.4	0.2	0.6	0.7	0.6
Expenditure	(0.4)	(2.3)	(2.0)	(4.3)	(4.7)	(4.2)
	<u>(0.1)</u>	<u>–</u>	<u>(0.4)</u>	<u>(0.4)</u>	<u>(0.5)</u>	<u>(14.2)</u>
At 31 July	<u>7.1</u>	<u>48.8</u>	<u>31.2</u>	<u>80.0</u>	<u>87.1</u>	<u>87.6</u>
Analysis by type of purpose						
Academic – Chairs, Fellowships, Lectureship and Lectures	–	29.7	4.7	34.4	34.4	34.8
Capital	–	–	0.5	0.5	0.5	0.5
Other	7.1	3.0	4.4	7.4	14.5	14.6
PG awards	–	8.4	3.8	12.2	12.2	12.3
UG awards – Scholarships and bursaries	–	3.4	7.2	10.6	10.6	10.7
Research	–	4.1	9.7	13.8	13.8	13.7
Travel awards	–	0.2	0.9	1.1	1.1	1.0
	<u>7.1</u>	<u>48.8</u>	<u>31.2</u>	<u>80.0</u>	<u>87.1</u>	<u>87.6</u>

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

Analysis by asset

Equities				74.0	71.7
Non-equity investments				16.0	17.8
Other current balances				(2.9)	(1.9)
				<u>87.1</u>	<u>87.6</u>

22 RESTRICTED RESERVES

	CONSOLIDATED AND UNIVERSITY			
	Capital grants and donations	Other grants and donations	2023 Total	2022 Total
	£m	£m	£m	£m
Reserves with restrictions are as follows:				
Balances at 1 August 2022	–	1.0	1.0	0.8
New grants	–	–	–	0.3
New donations	1.1	8.7	9.8	6.9
Capital grants utilised	(1.1)	–	(1.1)	(0.7)
Expenditure	–	(8.5)	(8.5)	(6.3)
Total restricted comprehensive income for the year	–	0.2	0.2	0.2
At 31 July 2023	–	1.2	1.2	1.0

23 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2023	2022	2023	2022
	£m	£m	£m	£m
Cash at bank and in hand	59.5	56.2	47.9	43.7
Investments maturing less than three months after placement	113.7	89.7	113.7	89.7
	<u>173.2</u>	<u>145.9</u>	<u>161.6</u>	<u>133.4</u>

24 CONSOLIDATED RECONCILIATION OF NET CASH

	At 1 August	Cash	Other At 31 July	
	2022	flows	Changes	2023
	£m	£m	£m	£m
Cash at bank and in hand	145.9	27.3	–	173.2
Short-term investments	72.2	(27.7)	–	44.5
Debt due within one year	(5.8)	5.6	(4.1)	(4.3)
Debt due after one year	(94.8)	–	4.1	(90.7)
Finance leases due within one year	(2.2)	0.1	–	(2.1)
Finance leases due after one year	(23.0)	–	1.9	(21.1)
	<u>92.3</u>	<u>5.3</u>	<u>1.9</u>	<u>99.5</u>

25 CAPITAL COMMITMENTS

	CONSOLIDATED AND UNIVERSITY	
	2023	2022
	£m	£m
Commitments contracted at 31 July	<u>22.5</u>	<u>43.7</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	
	2023	2022
	£m	£m
Amounts due under finance leases:		
Amounts payable		
Within one year	2.1	2.2
In two to five years	9.3	9.7
In more than five years	34.5	39.8
	<u>45.9</u>	<u>51.7</u>
Less: finance charges allocated to future periods	(22.7)	(26.5)
	<u>23.2</u>	<u>25.2</u>
Annual rentals under operating lease commitments are as follows:	2023	2022
	£m	£m
Leases expiring		
In two to five years	0.2	0.4
Over five years	6.0	5.6
	<u>6.2</u>	<u>6.0</u>

Notes to the Financial Statements *(continued)*

28 ALTERNATIVE PERFORMANCE MEASURES

	Note	CONSOLIDATED	
		2023 £m	2022 £m
Underlying income			
Total income		608.3	558.6
Capital grants		–	(0.3)
Underlying income		<u>608.3</u>	<u>558.3</u>
Underlying staff costs			
Total staff costs		315.8	409.3
Decrease in accrued holiday pay		0.7	3.8
Severance costs		(0.6)	(0.5)
Credit/(charge) to staff costs as a result of USS pension provision	8	31.2	(97.5)
RBP pension service cost adjustment	8	(1.4)	10.1
Underlying staff costs		<u>345.7</u>	<u>325.2</u>
Underlying surplus before tax			
Surplus/(loss) before tax		30.8	(98.2)
(Gain)/loss on investments	21	(2.3)	12.3
(Credit)/charge to staff costs as a result of USS pension provision		(31.2)	97.5
RBP pension curtailment credit	29	–	(16.1)
Share of deficit in joint ventures and associate	29	4.7	0.5
Gain on revaluation of investments	15,16	(1.9)	–
Loss on impairment of non-current assets	14	3.7	4.4
Underlying surplus before tax	13	<u>3.8</u>	<u>0.4</u>
Underlying EBITDA			
Underlying surplus before tax		3.8	0.4
Interest and other finance costs	10	9.6	5.4
Depreciation	13	33.5	32.3
Underlying EBITDA		<u>46.9</u>	<u>38.1</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 (2022: £2.5m). The total cost of Nest was £0.3m (2022: £0.2m).

The total pension cost for the University was:

	2023 £m	2022 £m
Contributions to USS	55.7	52.1
Contributions to RBP	8.6	8.6
Contributions to other pension schemes	2.8	2.7
Other pensions cost (Note 8)	67.1	63.4
(Credit)/charge to staff costs as a result of USS pension provision	(31.2)	97.5
RBP pension service cost adjustment	(0.2)	5.3
RBP pension curtailment credit	–	(16.1)
Administration costs	1.6	0.7
Pensions costs included in staff costs	<u>37.3</u>	<u>150.8</u>
Pension finance interest income (Note 6)	(0.1)	–
Pension finance interest cost (Note 10)	5.8	1.6
Pension cost including pension finance interest	<u>43.0</u>	<u>152.4</u>
Actuarial loss/(gain) relating to the RBP pension scheme	<u>35.9</u>	<u>(68.9)</u>
Total pension cost	<u>78.9</u>	<u>83.5</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. As a result of this curtailment in the prior year there was a remeasurement of the pension expense and balance sheet as at 31 October 2021 which resulted in a past service credit of £16.1m.

The total pension cost (excluding interest) to the University was £10.0m (2022: credit of £1.5m). The contribution payable by the University is 17.4% of pensionable salaries until 31 July 2024, 10.0% from 1 August 2024 to 31 July 2027 and 12.7% from 1 August 2027 onwards. There were no outstanding contributions at the balance sheet date. Active members pay a contribution of 6.75% of pensionable salaries. The expected employer contribution to the Plan during the next accounting year is £9.0m and the expected current service cost is £5.9m.

A full actuarial valuation was carried out as at 31 July 2022 and updated to 31 July 2023 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 July 2023	31 July 2022
Discount rate at year end	5.10%	3.50%
Future salary increases	2.80%	3.25%
RPI inflation	3.15%	3.00%
CPI inflation	2.80%	2.55%
The current life expectancy on retirement at age 65 years are:		
Females currently aged 65 years	22.1	22.9
Males currently aged 65 years	18.7	19.6
Females currently aged 45 years	23.2	24.1
Males currently aged 45 years	19.6	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 2023 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 over 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 79.

The assets in the scheme were:

	Value at 31 July 2023 £m	Asset Allocation %	Value at 31 July 2022 £m	Asset Allocation %
Equities	36.5	17	69.0	23
Bonds	81.5	39	95.9	32
Property	10.9	5	34.0	11
Absolute return fund	–	–	21.6	7
Alternatives	18.1	8	–	–
Multi asset credit	47.9	23	–	–
LDI fund	12.5	6	74.1	25
Cash	3.8	2	5.6	2
Fair value of assets	211.2		300.2	
Present value of obligations	(248.4)		(300.2)	
Funded status	(37.2)		–	
Net pension liability	(37.2)		–	

Analysis of the amount shown in the Statement of Financial Position

	2023 £m	2022 £m
Present value of obligations	248.4	300.2
Fair value of plan assets	211.2	300.2
Funded status (Note 20)	(37.2)	–

Analysis of the amount charged to the Income Statement

	2023 £m	2022 £m
Operating cost		
Current service cost	8.4	13.9
Administration costs	1.6	0.7
Past service credit (including curtailments)	–	(16.1)
Financing cost		
Net interest (income)/cost on net defined benefit liability	(0.1)	0.9
Total operating charge/(credit)	9.9	(0.6)

Amounts recognised in Other Comprehensive Income (OCI)

	2023 £m	2022 £m
Asset losses arising during the year	(95.4)	(46.4)
Liability gains arising during the year	48.9	125.5
Asset ceiling adjustment (after allowing for interest)	10.6	(10.2)
Actuarial (loss)/gain recognised in OCI	(35.9)	68.9

29 PENSION ARRANGEMENTS (continued)

	2023 £m	2022 £m
Change in defined benefit obligation		
Opening defined benefit obligation	300.2	420.9
Service cost	8.4	13.9
Interest cost	10.3	7.1
Actuarial gains	(48.9)	(125.5)
Past service credit (including curtailments)	–	(16.1)
Contribution by members	0.4	0.4
Benefits paid	(11.5)	(10.7)
Asset ceiling adjustment	(10.5)	10.2
Closing defined benefit obligation	248.4	300.2

	2023 £m	2022 £m
Change in fair value of plan assets		
Opening fair value of plan assets	300.2	342.8
Losses on assets	(95.3)	(46.4)
Interest income on plan assets	10.4	6.2
Contributions by employer	8.6	8.6
Contributions by employees	0.4	0.4
Administration costs incurred	(1.6)	(0.7)
Benefits paid	(11.5)	(10.7)
Closing fair value of plan assets	211.2	300.2

Sensitivity analysis

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

	Approximate impact	
	Increase in liabilities £m	Increase in amount charged to the Income Statement £m
0.5% pa decrease in discount rate	21.1	1.6
0.5% pa increase in inflation-linked assumptions	11.5	1.0
One year increase in life expectancy	7.8	0.6

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 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:

	2023	2022
Males currently aged 65 years	24.0	23.9
Females currently aged 65 years	25.6	25.5
Males currently aged 45 years	26.0	25.9
Females currently aged 45 years	27.4	27.3

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:	2023	2022
Discount rate	5.49%	3.33%
Pensionable salary growth	3.40%	3.45%

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 decreased from £173.0m to £147.6m as set out in Note 20.

The total cost charged to the operating surplus is £55.7m (2022: £52.1m).

Deficit recovery contributions due within one year for the institution are £11.0m (2022: £11.2m).

As at the year end, an actuarial valuation as at 31 March 2023 was underway but not yet complete. The Trustees have issued provisional valuation results which indicate that the scheme was in surplus. As a result it is anticipated that the deficit recovery payments will no longer be required when the valuation is formally concluded. In advance of the formal conclusion, the Trustees have confirmed the employer contribution rate will reduce to 14.5% from 1 January 2024.

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 2023	Approximate impact Increase in liabilities £m
0.5% pa decrease in discount rate	5.1
0.5% pa increase in pensionable salary growth	5.5
1% increase in pensionable salary growth in year one only	1.4

30 RELATED PARTY TRANSACTIONS

Due to the nature of the Institution'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 Institution's financial regulations and normal procurement procedures. The Institution 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 FRS102. 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*	56	–	–
Alcyomics Limited*	–	13	–
Armatus Oceanic Limited*	6	–	–
Dragonfly Insulation Limited*	42	–	6
ESP Diagnostics Limited*	34	4	3
Indicatrix Crystallography Limited*	29	102	14
INEX Microtechnology Limited*	525	338	275
INTO Newcastle University LLP	1,028	3,151	6
Microbritt Limited*	6	2	2
N8 Limited*	–	60	–
Newcastle Science Central Developments LLP	33	–	–
Newcastle Science Central Management LLP	33	80	–
NunaBio Limited*	7	9	2
Skin Life Analytics Limited*	–	11	–
TWAM Enterprises Limited*	1	57	–
Tyne Pressure Testing Limited*	–	–	441
	<u>1,800</u>	<u>3,827</u>	<u>749</u>

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, Professor Jeff Pearson and Dr Peter Chater, 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, Professor Anne Dickinson, is a member of this organisation.

Expenditure relates to research and consultancy services provided to the University.

Armatus Oceanic Limited

Armatus Oceanic Limited provides commercial sub-sea activities developed from the research work of Dr Alan Jamieson, who is a member of this organisation.

Income relates to bench fees charged by the University.

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 senior leadership team, Martin Cox, is a non-executive director of the company.

Income relates to 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)****ESP Diagnostics Limited**

ESP Diagnostics Limited aims to bring to market a Parkinson's diagnostics test which is unique in its specificity, sensitivity and ability to detect pre-symptomatic patients. The lead academic, Dr Dale Athey, is a member of this organisation.

Income relates to research and consultancy services provided by the University. Expenditure relates to Arrow accelerator funding match. The balance due to the University at the year end are general working capital balances.

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, Dr Michael Probert, is a member of this organisation.

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

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 Ltd. Both the expenditure and the balance due to the University at the year end relate to this agreement. The University has provided the INEX with a working capital loan of £150,000, the remaining balance due to the University at the year end is related to general working capital balances.

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. The balance due to the University at the year end are general working capital balances.

Microbritt Limited

Microbritt Limited is a service company intended to address the rapidly increasing need for high-speed, high-value bespoke manufacturing with micro-scale precision. The lead academic, Professor Patrick Degenaar, 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. Expenditure relates to Arrow accelerator funding match.

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 agreed contribution to N8 activities for the 2022–23 year.

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 Managements 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, Dr Andrew Robert Pike, 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. Expenditure relates to Arrow accelerator funding match.

Skin Life Analytics Limited

Skin Life Analytics Limited established the novel use of mitochondrial DNA (mtDNA) as a reliable and sensitive biomarker of sunlight and other environmental and stress-induced DNA damage in skin. The lead academic, Professor Mark Birch-Machin, is a member of this organisation.

Expenditure relates to research and consultancy services provided to the University.

TWAM Enterprises Limited

The purpose of TWAM Enterprises Ltd 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 Ltd is to create a Centre of Excellence for Hyperbaric testing in the local area. The University has provided Tyne Pressure Testing Ltd with a loan of £441,000, during the year this loan was impaired.

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
International Centre for Life	–	3,281	–
Medical Research Council	12,768	123	–
Northern Health Science Alliance Limited	–	345	–
Northumbrian Water Group	1,289	111	15
The Newcastle upon Tyne Hospitals NHS Trust	15,604	9,267	3,144
The Russell Group	–	87	–
	<u>29,661</u>	<u>13,214</u>	<u>3,159</u>

International Centre for Life

The International Centre for Life is a science hub in the North East where educators, researchers, clinicians and businesses work side-by-side on one site. Linda Conlon, a lay member of Council, is Chief Executive of this organisation.

Expenditure to this organisation relates to rent changes.

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 in 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.

Northumbrian Water Group

Northumbrian Water Group is holding company for several companies in the water supply, sewerage and waste water industries. Heidi Mottram, Vice-Chair of Council, is the Chief Executive Officer of this organisation.

Income from this organisation relates to research and training provision provided by the University, whilst expenditure relates to utilities.

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 institution in the teaching of medical students, as well as research. A lay member of Council and Chair of Audit, Risk and Assurance Committee, Bill MacLeod, is the Chair of Audit Committee for the Trust.

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

The Russell Group

The Russell Group represents 24 leading UK universities. It provides strategy, policy development, intelligence, communications and advocacy for our member institutions. Vice-Chancellor and President, Chris Day, is the Chair of The Russell Group.

Expenditure paid to The Russell Group represents the membership subscription for the 2022–23 year.

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

Other connected entities which the institution engages in trading activities with	Income from related party £'000	Expenditure to related party £'000	Balance due (to)/from related party £'000
Newcastle City Council	95	1,512	(3)
Newcastle University Students' Union	–	2,836	257
	<u>95</u>	<u>4,348</u>	<u>254</u>

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 institution.

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

Newcastle University Students' Union

Newcastle University Students' Union is the representative body for students at Newcastle University. Expenditure is largely the annual subvention grants for the year 2022–23 provided by the University and listed in Note 9. The amount due from the Student Union is relates to a loan of £257,000 which the University has provided the Student Union.

31 ACCESS AND PARTICIPATION

	2023 £m	2022 £m
Access investment	4.5	4.0
Financial support	8.1	8.2
Disability support (excluding expenditure included in the two categories above)	3.3	2.8
Research and evaluation	0.5	0.3
	<u>16.4</u>	<u>15.3</u>

All of the expenditure is included in the financial statements and other notes. £5.7m (2022: £4.6m) of these costs are staff costs included within Note 8.

Our Access and Participation Plan for 2022–23 is available on our website

<https://www.ncl.ac.uk/who-we-are/structure/access-and-participation/>

32 EVENTS AFTER THE REPORTING PERIOD

On 3 October 2023, the University entered into a £75m Revolving Credit Facility with Lloyds Bank. This provides seven year unsecured committed funding to support the University with effective utilisation of its funds over the medium and long-term, whilst maintaining target liquidity levels. This does not impact the University's Financial Statements.

As set out in Note 29 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2023 actuarial valuation has been agreed since 31 July 2023. The finalisation of the 2023 actuarial valuation is considered a non-adjusting event for these financial statements and its impact will be reflected in the 2023-24 financial statements. As there is no requirement for continued deficit recovery contributions in the 2023 valuation, the balance of the deficit recovery provision will be released in the 2023-24 financial statements.

33 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	2023 £m	2022 £m
Change in net assets without donor restrictions	A	(41.0)	70.6
Total operating revenue – unrestricted	B	596.7	549.4
Less:			
Investment return appropriated for spending (Other investment income)	6	(5.3)	(1.1)
Sale of fixed assets	Page 68	–	–
Total revenues and gains without donor restrictions		<u>591.4</u>	<u>548.3</u>

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

	Note	2023 £m	2022 £m
Net assets no restriction	C	535.2	566.6
Net assets with donor restriction	C	81.2	81.4
Less:			
Endowments restricted in perpetuity	21	(48.8)	(48.8)
PPE	F	(605.0)	(593.7)
Lease – right of use, net	13	(14.1)	(16.1)
RBP pension liability	20	37.2	–
Notes payable	G	98.8	98.9
Lease – right of use asset liability	18 & 19	23.2	25.2
Expendable net assets		<u>107.7</u>	<u>113.5</u>
Total expenses without donor restrictions – taken directly from Statement of Activities	D	594.1	552.0
Other components of net RBP periodic pension costs	20	37.2	(79.0)
Other (gains)/losses	E	6.3	5.8
Total expenses and losses without donor restrictions		<u>637.6</u>	<u>478.8</u>

Notes to the Financial Statements *(continued)*

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

Equity ratio = Modified net assets/Modified assets

	Note	2023 £m	2022 £m
Net assets without donor restriction	C	535.2	566.6
Net assets with donor restriction	C	81.2	81.4
Modified net assets		<u>616.4</u>	<u>648.0</u>
Total assets	Page 62	993.4	983.1
Modified assets		<u>993.4</u>	<u>983.1</u>
Notes to the ratios			
A Change in net assets without donor restrictions			
	Note	2023 £m	2022 £m
Total comprehensive income for the year	Page 60	(5.5)	(29.9)
Move on USS pension liability	20	(25.4)	98.2
Decrease in accrued holiday pay	28	(0.7)	(3.8)
Losses/(gains) on restricted endowments	21	(2.1)	11.4
Restricted endowment expenditure	21	4.3	3.9
Restricted donations	7	(11.0)	(8.6)
Investment income on restricted endowments	21	(0.6)	(0.6)
		<u>(41.0)</u>	<u>70.6</u>
B Total operating revenue – unrestricted			
		2023 £m	2022 £m
Total income	Page 60	608.3	558.6
Restricted donations	7	(11.0)	(8.6)
Investment income on restricted endowments	21	(0.6)	(0.6)
		<u>596.7</u>	<u>549.4</u>
C Net assets without restrictions			
		2023 £m	2022 £m
Net assets per Balance Sheet	Page 62	455.2	460.7
Less net assets with donor restrictions			
Restricted endowments	21	(80.0)	(80.4)
Restricted reserves	22	(1.2)	(1.0)
Add FRS 102 adjustments			
USS pension liability	20	147.6	173.0
Holiday pay accrual	18	13.6	14.3
		<u>535.2</u>	<u>566.6</u>

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

Notes to the ratios *(continued)*

		2023 £m	2022 £m
D Total expenses without donor restrictions			
Total expenditure	Page 60	573.3	639.6
Less:			
RBP pension service cost adjustment	8	(1.4)	10.1
Restricted endowment expenditure	21	(4.3)	(3.9)
Taxation	12	0.4	0.6
Less FRS 102 adjustments			
Movement on USS pension liability	20	25.4	(98.2)
Decrease in accrued holiday pay	28	0.7	3.8
		<u>594.1</u>	<u>552.0</u>
E Other (gains)/losses			
		2023 £m	2022 £m
Share of deficit in joint ventures	15	4.4	0.4
Share of deficit in associate	16	0.3	0.1
Loss on impairment of non-current assets	Page 68	3.7	4.4
(Gains)/losses on unrestricted endowments	21	(0.2)	0.9
Gains on revaluation of unrestricted non-current assets	14	(1.9)	–
		<u>6.3</u>	<u>5.8</u>
F Net property, plant and equipment			
		2023 £m	2022 £m
Pre-implementation property, plant and equipment	13	484.8	484.8
Construction in progress	13	57.9	27.8
Post-implementation property, plant and equipment without outstanding debt		62.3	81.1
		<u>605.0</u>	<u>593.7</u>
G Long-term debt for long-term purposes			
		2023 £m	2022 £m
Pre-implementation long-term debt	18 & 19	96.0	96.0
Long-term debt not for the purchase of property, plant and equipment	18 & 19	2.8	2.9
		<u>98.8</u>	<u>98.9</u>

