

Newcastle University **Integrated Annual Report 2023–2024**

**From Newcastle.
For the world.**

Contents

Acknowledgements	3
Preface	4
Forewords	5
About Newcastle University	11
Our vision and strategy	13
Our vision, values, principles and strategies	13
Our value creation model.....	15
Understanding our risks.....	17
From Newcastle, for people and planet	20
Strategic and operational review	21
Education for life.....	21
Research for discovery and impact	24
Engagement and place.....	27
Global.....	31
Our students	34
Our people	36
Physical and digital infrastructure.....	40
Environmental sustainability	43
Financial review	46
Governance	51
Charity status and public benefit statement	51
Corporate governance overview	54
Statement of Council responsibilities.....	60
Statement of internal controls	63
Remuneration report.....	65
Financial Statements	72
Independent Auditor’s Report to Council.....	72
Statement of Principal Accounting Policies	77
Statement of Comprehensive Income	88
Statement of Changes in Reserves.....	89
Statement of Financial Position.....	90
Cash Flow Statement	91
Notes to the financial statements	92

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The University of Newcastle upon Tyne trading as Newcastle University.

Details included are correct at the time of publication (January 2025).

Preface

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 create 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.

Forewords

Outgoing Chair of Council and Pro-Chancellor, Paul Walker

Outgoing Chair of Council, Paul Walker, reflects on the changing nature of HE during his seven years in the role, and the implications for the University's governance.

The higher education sector has faced numerous challenges over the last seven years, and I am pleased to say that by continuing to embed our strategic priorities into university life we have maintained our position as a leading institution for teaching and research.

Inevitably, the implications of the economic and geopolitical headwinds have influenced Council's agenda to ensure the University is able to respond to these challenges in a sensitive and agile way.

Whilst today our University has a sound financial base from which to operate, the financial landscape remains challenging. It therefore remains critical that Council provides direction and support to ensure we have a financially sustainable model to meet our future needs.

A key part of that model is attracting and retaining overseas students in a market that is highly competitive. Enhancing our recruitment strategies and student support services to remain competitive has been an area of focus for Council for some time now.

A top priority for Council is the continued enhancement of the student experience. This includes providing outstanding student support services, expanding experiential learning opportunities and creating a social environment that meets their needs. There is no doubt that today's students have clear ideas about what and how they want to learn. We have to balance the need to protect the academic rigour of our degree programmes at the same time as modernising traditional subjects, and introducing new subjects that are relevant to the world in which we live and work today.

The pandemic, the recent cost of living crisis and industrial action have been challenging for many of our students and colleagues. Council has been hugely supportive of the increased investment in the provision of our mental health programmes to help provide guidance and support to all those who need these services.

Our campus is an international community, and many of our colleagues and students have been directly impacted by world events. It's incredibly important that we maintain a culture on campus that respects freedom of speech but also allows everyone to play an active role on campus as and when they wish.

Despite all these challenges, I am delighted that our commitment to community engagement has strengthened, with numerous partnerships that benefit local communities and beyond.

These initiatives help foster a sense of social responsibility among our students and colleagues. I believe that the contribution we make to the economic, social and cultural wellbeing of our city and region through our civic commitment continues to be one of our stand-out achievements. Over the past seven years, I have been privileged to work with our Vice-Chancellor, Executive Board and Council during what has been a very complex and turbulent period, and I would like to thank them all for their dedication and support throughout my term as Chair.

I know that Council is in excellent hands with Pat Ritchie as our new Chair, whose experience will help bring fresh views to the role, as well as providing strategic insights for the continued long-term success of Newcastle University.

Forewords

Vice-Chancellor and President, Professor Chris Day CBE

Vice-Chancellor and President, Professor Chris Day, looks back on a year in which global events have dominated the day-to-day business of the University

One of the most important roles that I have, along with Executive Board, is to ensure that our campus is a safe, inclusive and welcoming environment, and that we look after the wellbeing and safety of all our students and colleagues.

So, I feel that it is important to begin by reflecting on the global events, and in particular the conflict in the Middle East, that have overshadowed the past 12 months. Our students, colleagues and alumni continue to be deeply affected by the tragic situation in Israel, Gaza and Palestine. As a community, I am confident in the belief that we all join together in the profound hope that a peaceful and permanent solution to the crisis can be reached as soon as possible.

Our international community is the beating heart of our institution. Every day, our students from every part of the world make a valuable contribution to the intellectual, social and cultural diversity of our campuses in the UK, Malaysia and Singapore.

During the year, we have reviewed and refreshed two of our supporting strategies to ensure we are able to continue to attract international students to study in Newcastle: our Global strategy, which sets out our ambitions to be a truly global university through partnership, education, student experience and our work and campuses in South East Asia; and our Education for Life strategy which ensures we can adapt to the rapidly changing national and global context for higher education and develop a learning environment that is inclusive and fit for the future.

We also welcomed the outcome of the Migration Advisory Committee (MAC) Review, and the news that Graduate Route – the visa that enables students to remain in the UK for work or further study for two years after graduation – would remain in place in its current form. In the context of the unhelpful negative rhetoric about international students, immigration and visas from the government, the outcome was more positive than many of us in the sector had anticipated.

In more good news, rejoining the Horizon Europe programme means that, from 2024 onwards, our research community can once again fully participate in the scheme, offering unparalleled opportunities to collaborate on cutting-edge R&I with the best institutions in Europe and beyond.

The snap General Election in July, and the first change of government for 14 years, signalled

a welcome change in tone. Reassuringly, early signs from the new government are good: there has been plenty of positive rhetoric about the role universities play in driving growth for the UK and reinforcing our position on the world stage.

Closer to home, once again I'm pleased to be able to report that the University has enjoyed a very successful year.

At the start of the year, I was very proud to accompany colleagues to Buckingham Palace to receive a Queen's Anniversary Prize on behalf of the University, in recognition of our long-standing excellence in water research.

We have done exceptionally well in the latest Knowledge Exchange Framework, led by Research England, which is a measure of the impact of our engagement with society. Investment in our spin-out companies is at a record high, this year exceeding £40m, while our graduate start-ups achieved a combined turnover of £283.1m and now employ almost 1,500 people.

We have seen record attendance at our Open Days, and in sport we had our best ever performance, finishing eighth overall out of 160 institutions in the British Universities and Colleges Sport league.

And thanks to the generosity of our alumni, we have raised more than £10.6m in donations, much of which goes towards providing financial support for our students.

These are just a few of our highlights, of which there are far too many to mention here.

There have been some changes in my senior team this year. Richard Davies, Pro-Vice-Chancellor Global and Sustainability has left us to become Vice-Chancellor of the University of Plymouth. This is a great achievement, and while he will be very much missed on Executive Board, we wish him every success in his new role. Chris Whitehead, Global Dean in the Faculty of Humanities and Social Sciences, has been appointed as interim PVC Global.

Meanwhile, Nigel Harkness has succeeded Brian Walker as Deputy Vice-Chancellor. Nigel will take forward the implementation of our Vision and Strategy and the delivery of NU Shape, the five-year strategic delivery plan that ensures that we are putting effort and investment into the right infrastructure and support - critical work that will define our University for the next decade. Jo Robinson has taken over from Nigel as interim PVC of the Faculty of Humanities and Social Sciences.

However, and whilst we have much to celebrate, it would be remiss of me not to discuss some of the emerging challenges that we face across our sector.

As we began the 2024-25 academic year, it became clear that the financial challenges facing UK Higher Education are set to continue. The Office for Students predicted that almost three quarters of universities in England will face financial problems next year. This is despite the increase in tuition fees announced by the government after the Autumn budget. Moving forward, we must consider the implications for our University and how we ensure that we can continue to deliver the commitments set out in our strategies.

The 2024-25 international recruitment cycle was challenging for the whole sector, and we were not immune. In 2023-24, we bucked the trend in terms of the decline in international student numbers experienced by many of our competitors. This year, although we saw an increase in the numbers of international students who accepted their offers, this did not translate into increased registrations. The resulting reduction in student numbers leaves a shortfall against our 2024-25 budget. Outlook and financial sustainability is considered further within our finance review.

The increase in the tuition fee cap for UK students, announced by the government at the beginning of November 2024, was welcome and should deliver increased revenue of around £5m per year. However, the increase in employers' National Insurance contributions announced in the Budget will add an additional £7m to our annual salary bill. Alongside these announcements, there was some very good news for R&D, with the government promising a record investment of £20.4 bn.

The announcement of the increase in tuition fees was accompanied by a set of five priorities identified by the Secretary of State for Education. There is a clear expectation that universities will play a greater civic role in their communities, including making a stronger contribution to economic growth and expanding access and improving outcomes for disadvantaged students. At the same time, the government wants to see universities improve teaching standards to maintain and enhance the UK's world-leading reputation as an education provider, all of which needs to be underpinned by a sustained programme of efficiency and reform.

Our cross-cutting strategies mean we are well placed to meet these priorities, but we will continue to impress upon the government that investment is needed to secure the financial sustainability of the UK sector.

Despite the challenges we face, our direction and ambition remain unchanged. We are committed to delivering our refreshed Education Strategy and implementing the strategic delivery plans known as NU Shape that will shape the University over the next five years. Our three core values – Academic Freedom, Equality, Diversity and Inclusion, and Social and Environmental Justice – still stand and are central to our purpose.

Within the strategic delivery plans, we have identified three major growth topics: data science and AI; sustainable resources and climate change; and healthy and productive life course and over the next 12 months, we will build business cases to deliver these.

Finally, I would like to thank every one of the dedicated, hardworking and inspirational colleagues from all parts of our University, without whom it would be impossible to serve our students, carry out our world-leading research and make sure that our work benefits our communities in Newcastle and around the world.

Key figures

- In the top 100 in the world for sustainable development and 50 in the world for 'No Poverty', 'Reduced Inequalities', and 'Climate Action' (Times Higher Education Impact Rankings 2024);
- Ranked 129th in the world (QS World Rankings 2025);
- Ranked 42nd in the world and 14th in the UK in the International Research Network, a measure of the depth and breadth of research collaboration (QS World Rankings 2025);
- Outcomes - 94% of our 2020–21 graduates progressed to employment or further study within 15 months of graduating (Graduate Outcomes Survey);
- Global presence - Over 1,500 students across our campuses in Malaysia and Singapore with the Singapore Institute of Technology;
- Ranked 68th in the world for Research Quality (THE World University Rankings 2025);
- World-leading - 42% of our research is classified as 4* world-leading research (REF 2021);
- Awarded 5 QS Stars for Student Employability (QS Graduate Employability Rankings 2022);
- Ranked 157th in THE World University Rankings (THE World University Rankings 2025);
- Over 29,000 students from 135 countries; Increase of 65% in research power since 2014 (REF 2021);
- Ranked 15th in the UK for research power (REF 2021).

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 135 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.

Our vision and strategy

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, 2024–25 will see us begin implementation of a new Education for Life strategy and a refreshed Global strategy 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 to and reflecting the challenging external environment.

In the strategic and operational review (pages 21–45), we describe the progress that has been made in 2023–24 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 one of the following:

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

Newcastle University's Vision, Core Values, Aspirational Values, Guiding Principles and Strategies.

Vision: We are a world-leading university, advancing knowledge, providing creative solutions and solving global problems. This leads to

Core Values – Equality, Diversity, Inclusion; Social and Environmental Justice; and Academic Freedom. This leads to

Aspirational Values – Excellence, Creativity, and Impact. This leads to

Aspirational Values – Working Together, Visibly Leading, Freedom and Opportunity to Succeed; and Responding to Current and Future Challenges. This leads to

Strategies – Education for Life; and Research for Discovery and Impact, which are both through Engagement and Place; and Global.

Our vision and strategy

Our value creation model

We describe 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.

Our vision and value model, which communicates Enablers, How we create value, Outputs; and The value shared with stakeholders

Enablers

The University enablers create financial and non-financial value: Our People, Physical and digital infrastructure, Networks and Partnerships, Environmental Sustainability, Effectiveness and Financial Sustainability.

How we create value

- To advance education, learning and research for public benefit we have a world-class learning environment in Newcastle city centre and international bases;
- We work collaboratively with partners to identify challenges that face society, the skill requirements for new graduates and the study interest of prospective students.
- We recruit excellent colleagues from around the world who undertake both blue-skies and applied research, often funded externally and delivered in partnership with other organisations;
- We deliver distinctive research-led teaching which attracts the brightest students from across the UK and around the world, regardless of background;
- We generate income via tuition fees, funded research, government grants, commercialising IP, commercial operations, donations and investment income;
- Our research addresses global challenges and our graduates make a significant contribution to society, Annual surplus is reinvested to support delivery of our Vision.

Outputs

Outputs can be measured in a number of different ways. We describe progress against our strategies within our strategic and operational review, some key aspirational output metrics are:

Student satisfaction – Excellent scores in student satisfaction surveys across all disciplines (pages 34–35);

Graduate destinations – High rates of graduate employment in professional jobs or further study (pages 34–35);

Colleague engagement – Excellent feedback from colleagues (pages 36–39);

Research outputs – High proportion of research outputs rated world-leading or internationally excellent (pages 24–26);

Reputation – Enhanced global reputation for education and research (pages 31–33);

Financial position and performance – Positive cash generation to ensure financial sustainability and protect investment (pages 46–50).

The value shared with stakeholders

An organisation as diverse as the University naturally engages with a wide range of stakeholders. The financial and non-financial value we create is reinvested to support delivery of our Vision and to the benefit of our stakeholders.

Students and family members – We reinvest in our teaching and learning facilities for current and future generations of students. The student voice and student engagement are important features of our governance and strategic planning processes and key University committees include student representation.

Colleagues – We value our colleagues and demonstrate this through our investment in facilities, development and reward. We value colleague engagement through elected membership of Council and Senate and engagement with our trade unions.

Alumni – As we support graduates into professional employment or further education, we create and sustain a global network of engaged alumni through enhanced alumni engagement programmes.

Local community – We contribute around £900m annually to Gross Domestic Product to the North East and work with our local community and businesses, and have key partnerships with civic organisations to attract jobs and investment to the region.

Government, regulators, investors and funders – We engage with research funders, investors and government agencies to share the value we create and to develop new opportunities to address societal challenges. An example being working with our principal regulator, The Office for Students (OfS), to promote wider participation in higher education for disadvantaged groups.

Partner organisations – We collaborate with other universities as well as working with sector-wide bodies to share and leverage value.

Our vision and strategy

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.

The risks in our strategic risk register are owned and regularly reviewed by our Executive Board, whilst the Audit, Risk and Assurance Committee also reviews the strategic risk register. Over the past academic year, they have held a number of deep dive discussions with risk owners. However, much of the risk the University is exposed to is not strategic and although accountability for risk sits with Executive Board, our risk management policy sets out how colleagues have an understanding of their role in relation to managing risk using the three lines of defence model to describe risk ownership.

Our risk management framework also includes a risk appetite statement which sets out the intention to avoid risks that negatively impact our reputation or give rise to potential breaches in compliance or significant financial loss, whilst also acknowledging that considered risk-taking in some areas will positively impact the achievement of our strategic objectives. Our colleagues and governing body recognise risk management is an integral part of our activities. Our risk governance arrangements, which are overseen by Council and Audit, Risk and Assurance Committee, 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 is challenging and financial sustainability remains a key risk across the sector as it continues to face significant inflationary pressure on costs without corresponding uplifts in income. Disruption caused by geopolitical and social issues is a risk that we are sure will continue to offer operational challenges similar to those seen this academic year.

We started the year with four red-rated risks and during the year the risk score for our risk relating to the delivery of a high-quality education was decreased from red to amber. This was due to the implementation of various mitigating actions including the development of a new Education Strategy. The results from our 2024 National Student Survey (NSS) and Postgraduate Taught Experience Survey (PTES) confirm that positivity measures have increased although there is still more to do and work will continue.

The following are our highest scoring risks from the University Strategic Risk Register. See Strategic and operational review (21–55) for initiatives and KPIs addressing these three highest-scoring risks.

Change in risk: ▲ increase ▼ decrease ◓ no change

◓ SR8 (no change) | International student recruitment | Stakeholders impacted: Students, Colleagues, Our local community

International student recruitment is increasingly competitive and complex, as we have experienced during the Summer 2024 recruitment campaign. There is an over-reliance on some domiciles which creates vulnerabilities in relation to geopolitical issues and external influence. This year, visa applications from students looking to study in the UK were down by around 17% by August 2024 compared to the same period last year. The perception that the UK is not a welcoming environment as well as changes in fees, funding and immigration policy have made 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 as well as diversify our enrolments.

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 and pricing.	Focus on coordinated marketing with campaigns to support the international student journey in place.

◓ SR9 (no change) | Financial viability | Stakeholders impacted: Students, Colleagues, Our local community

Universities are operating in an increasingly competitive market where the value of a degree is frequently challenged. Added to that the ongoing economic and financial uncertainty created by a difficult operating and funding environment means there is a risk that the University fails to manage financial performance and protect ongoing financial viability whilst delivering our strategy.

Risks	Mitigations
Inability to pursue strategic priorities whilst also ensuring ongoing financial sustainability.	Clearly articulated financial strategy, approved by Council.
Financial planning and monitoring processes are not effective.	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 and existing spend.

▣ SR11 (no change) | Our digital infrastructure and cybersecurity | Stakeholders impacted: Students, Colleagues, Our partners

Our students and colleagues expect an excellent digital experience and there continues to be a demand to be able to learn and work in different ways. Our Infrastructure Strategy Group has a programme of planned improvements to support the replacement of existing technology and to support future needs. 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 an information security or data breach is an area of focus and we have improved our underlying controls with the introduction of a new governance framework.

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.

Our vision and strategy

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 25th in the UK and 95th 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, SDG13 Climate action and SDG17 Partnerships for the goals.

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

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

The United Nations 17 Sustainable Development Goals are:

1. No poverty
2. Zero Hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

Strategic and operational review

Education for life

Strategic priorities

Our ambition is to provide all our students with an education for life that engages, challenges and supports them to discover and fulfil their potential, both while they are studying with us and once they have graduated. To deliver this commitment we have renewed our Education Strategy in consultation with our colleagues and students to become Education for Life 2030+: a vision for education and skills at Newcastle. The strategy has three strategic aims:

- **Equity:** to 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, location or mode of study
- **Encounters with the leading edge:** to put encounters with our world-leading research and the leading edge of industry and practice at the heart of our curriculum and learning experiences
- **Fit for the future:** to ensure our students are fit for their future, our teaching is fit for the future of our offer, and our colleagues are fit for the future of higher education

Measuring progress

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

Key figure

Over 82% of our graduates are in high-skilled employment and/or graduate-level further study within 15 months of graduating (*Graduate Prospects – Times Good University Guide 2023*).

Progress during the past year with an eye to the future

Education strategy

Over the Summer and Autumn of 2023, we saw the development of our new Education Strategy, *Education for Life 2030+: a vision for education and skills at Newcastle*, working together through a series of consultation events, workshops and engagement with key stakeholder groups, including students, from across the University. This culminated in formal approval and the launch of the new strategy at our Learning and Teaching Conference in April 2024.

The strategy is our response to the changing and challenging environment for higher education in the UK and globally and has three aims, to ensure equity for all our students, to develop our Leading Edge Curriculum and to ensure the education we offer is fit for the future. The strategy will transform the educational experience of taught students across all three campuses, building on the best of what we do and creating strong learning communities.

Student experience

Following an improvement in student survey results from 2022 to 2023, academic units have continued to focus on local developments and enhancements to the student experience. Wider work has been captured in the development of the new Education Strategy, including a focus on an inclusive student experience and the experience of our international students through the Global Education Experience Programme. Whilst there remains work to do, these efforts resulted in improved performances in the most recent National Student Survey (NSS) and Postgraduate Taught Experience Survey (PTES).

Access and participation

A substantial task this year has been the development of our new Access and Participation Plan 2025–26 to 2028–29 in response to the changed guidance from the Office for Students. We took a deep dive into our data to assess our performance across the student lifecycle and identify the risks to equality of opportunity. Our teams continue to work to enhance and develop our activities for all under-represented students, and we worked closely with Newcastle University Student Union to engage a Student Collaborative Group to bring lived experience and live feedback into the plan.

Partnerships

This year, we have entered into a partnership with Durham University so that we could act as the accrediting body for both institutions' programmes of initial teacher education under the new Department for Education regulatory regime. This has ensured that teacher education capacity has been retained in the region and has brought a new level of collaboration between our institutions.

Our contribution towards the UN SDGs:**Education for sustainability****UN SDGs: 3. Good health and well-being; and 4. Quality Education**

School X, our home of interdisciplinary studies, has developed a new MSc programme in leadership for sustainability and climate change. The programme provides insight into climate change's impact on society, organisations and individuals and enables learners to develop the skills needed to influence and lead on sustainable climate action.

Alongside this a toolkit has been created to support academics with embedding the UN Sustainable Development Goals in the curriculum. The toolkit brings together activities which use the goals to generate discussion, encourage team working, foster value creation and sense-making.

Strategic and operational review

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 interdisciplinary approaches and partnerships with businesses and external agencies that extend the reach and impact of our research

Measuring progress

■ Satisfactory – Research power

The number of researchers producing high-quality research

■ Satisfactory – Research environment

The development of a thriving research culture

■ Good – Research intensivity

Winning competitive funding to leverage our investments in research

Progress during the past year with an eye to the future

Research power

Our research awards grew from £159m in 2022–23, to £168m in 2023–24, our best ever performance. Research income per colleague is also increasing and approaching Russell Group median.

Several of our recent major research awards have been driven by our Newcastle University Centres of Research Excellence (NUCoREs). The Centre for Rare Disease has been appointed to lead the £14m **UK Rare Disease Research Platform**, funded by the Medical Research Council (MRC) and the National Institute for Health and Care Research (NIHR). The Centre for Mobility and Transport has been awarded £10m by the Department for Transport and UKRI to deliver the **Research Hub for Decarbonised Adaptable and Resilient Transport Infrastructures** (DARe).

Transformative initiatives

To support their continued success, we have begun a rolling renewal process for our NUCoREs. Our Centres for Heritage, for Energy, and for Data have been through this process

in 2023–24. They have reported on their research achievements, operational challenges, and have set forward-facing research missions for the next five years. We have recruited further Newcastle University Academic Track (NUAcT) fellows. To date, we have appointed 73 NUAcT fellows, who have won £56.7m in research grant funding (with a 63% application success rate). The scheme leveraged a further £105m in external research grants and has been pivotal in achieving our best year for UKRI fellowship awards, which are now level with Russell Group median.

Research culture

We are determined to address the research culture challenges highlighted in recent sector-wide surveys and reports. Following consultation, we have established our priorities with a Research Culture Action Plan, which has identified the following priorities:

- **Releasing Quality Time** is designed to increase colleagues' abilities to create protected time for research activities.
- **Behaviour Matters** is developing a preventative approach to tackling inappropriate behaviour and promoting positive behaviours.
- **Open Research** is developing and delivering a training programme to promote collaboration and transparency across the research lifecycle.
- Our £1m **Wellcome Institutional Research Culture Fund (IRCF)** project is building enhanced leadership capacity to enable psychologically safe and inclusive research environments.

Postgraduate research students (PGR)

The PGR Strategic Delivery Plan was launched in 2022, and created a Doctoral College that has been instrumental in supporting our research students, and in particular helping them to recover from the effects of the pandemic. The Doctoral College's strategic projects have been launched this year, developing a new package of training for PGR Supervisors; undertaking a review of Annual Progress Review regulations and processes; and reviewing our Student Support Plans. Our areas of focus next year will include enhancing the NU PGR Offer, which may include the development of an online PhD and a new model of PhD by professional practice.

Our contribution towards the UN SDGs:

Carbon Accounting for the dairy industry

UN SDGs: 12. Responsible consumption and production; and 13. Climate action

Sam Wilson, Professor of Biogeochemistry, and Hannah Davis, Lecturer in Ruminant Nutrition, are leading research funded by the National Innovation Centre for Rural Enterprise (NICRE) to develop non-invasive monitoring of methane emissions in dairy cows.

The research has established an appropriate method for monitoring greenhouse gas emissions which achieves a balance between cost, ease of use and practicality of the data and the team are working with the UK dairy industry to demonstrate the feasibility of these low-cost measurements within the broader context of ruminant gases and cow physiology.

New Research Awards

EPSRC National Edge Artificial Intelligence Hub with Edge computing brings the computation closer to the user without the need for a centralised data centre. AI technology can benefit from this distributed model, and Newcastle is leading a new £10m Edge AI hub to understand the opportunities and concerns. Working with stakeholders from other disciplines and regions, the hub will work to protect the quality of data and quality of learning associated with AI algorithms when they are subjected to cyber-attacks in the Edge computing environments.

We are co-leading the £30m **ADVANCE (Accelerating Discovery: Actionable NASH Cirrhosis Endpoints)** study, funded by Boehringer Ingelheim, which will be the most detailed observational study of its kind enrolling the largest number of patients and providing a detailed analysis of liver health. This will enhance the understanding of NASH cirrhosis, help to identify translational biomarkers that will accelerate the development of future therapies and improve the lives of people living with cardiovascular, renal and metabolic diseases.

Strategic and operational review

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

- **Good – Policy impact**

Providing research-based, solutions-focused evidence to support policy development.
Connecting our expertise with policymakers supporting our commitment to social justice

- **Satisfactory – Participation and awarding gap**

Supporting student success and progress irrespective of background

- **Medium risk – Inclusive growth**

Contributing to inclusive growth in the North East and developing a more prosperous economy and more equitable society

- **Medium risk – 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

Key figure

Ranked 1st for student start-ups across the region and 10th across the UK (*HE Provider Data: Business and Community Interaction survey 2022–23*).

Progress during the past year with an eye to the future

Inclusive and sustainable economic growth

We have contributed to the development of the North East devolution deal, aligning our research and education strengths. Through our partnership with the North East Combined Authority (NECA), we are playing an integral role in unlocking the potential for social, cultural and economic benefit represented by the £4.2bn Devolution Deal for the North East and the Trailblazer Deal announced by the Chancellor of the Exchequer in the Spring 2024 budget, including an 'Inclusive Innovation Deal', developments in digital and AI, rural policy, and venture capital funding to support University spin-outs.

With partners, we are shaping an investment zone worth £160m over the next 10 years supporting advanced manufacturing and the growth of the green economy. We have signed a partnership agreement with NEMCA, Newcastle City Council, and Legal and General to collaboratively support the delivery of the Health Innovation Neighbourhood where housing, environment, infrastructure, research and learning will help drive and inform healthier and sustainable living.

The UK Spin-Out review in 2023 recognised the role of University spin-outs in contributing to inclusive and sustainable economic growth and productivity. The 38 active spin-out companies created by the University are growing, employing well over 300 people in the region in skilled jobs across a number of key sectors including net zero, engineering, life sciences and biotech. In 2023 alone, over £40m of investment was secured across the portfolio, including Advanced Electric Machines securing £23m to scale up production of sustainable motors for the automotive sector. We continued to support the creation of high-quality, scalable businesses from our student community, with over 200 businesses formed by students or former students which had a combined turnover of £155m.

Lifelong learning and skills

We have continued to align our activity to support skills in key growth areas. This year we launched our new CPD storefront and have continued to develop our curriculum with further education partners to deliver skills pathways in electrification. In February 2024, we launched the Level 6 Product Design and Development Engineer apprenticeship; a co-designed apprenticeship with industry. Next to our UKRI/Innovate UK-funded Institute of Electrification and Sustainable Advanced Manufacturing, we were awarded £1.3m towards the set-up of the National Battery Training and Skills Academy. Our apprenticeship provision was judged 'good' by Ofsted in May 2023.

Participation and awarding gap

Our PARTNERS Supported Entry Scheme celebrated its 25-year anniversary this year, and over 9,000 PARTNERS students have enrolled at the University since it began in 1999. IntoUniversity Newcastle East centre, which opened in 2021, continues to support young people from targeted primary and secondary schools across the city, with a second centre planned for 2025.

Evidence-based policymaking

Our world-leading experts are shaping policy and practice regionally, nationally and around the world. Together with the Research England-funded Insights North East (INE) and the Arts and Humanities Research Council (AHRC)-funded Creative Industries Policy and Evidence Centre, our ambition is to establish the University as a Centre for Excellence in Policy Engagement.

INE is a regional partnership that bridges the divide between research and place-based policymaking, connecting academics and policymakers to address the needs of the region to deliver better outcomes to the region's people, economy and environment. INE sits alongside the wider Collaborative Newcastle Universities Agreement (CNUA), an innovative partnership with Northumbria University, working with partners in the NHS, local government, higher education, and the voluntary and community sector in Newcastle to combine efforts, expertise and resources with the aim of reducing inequality and providing better opportunities for all.

Run in collaboration with our partners, Tyne and Wear Archives and Museums (TWAM), our Great North Museum: Hancock (GNM) and the Hatton Gallery are two of our region's most popular visitor attractions. Research England recently confirmed increased funding of more than £300k annually for the next five years supporting our work with the GNM and Hatton. Our newest cultural venue, the Farrell Centre, was established with a mission to create a home in Newcastle where everyone can take part in a conversation about the role of architecture and planning in shaping the city's future. More than 14,000 people have visited the Centre since it opened in April 2023.

Embedding engagement

Our fourth annual Engagement and Place Awards were held at the Common Room in May 2024, showcasing the diverse range of engaged research and teaching practices delivered with our partners and communities, ensuring rewards and recognition for engagement and collaborative working. We have significantly grown our support programme for engagement including an annual training programme, numerous forums and workshops and strategic funding to support colleagues and partners to strengthen their engagement practice. This year, we have also appointed a new Dean of Social Justice, who is leading on our partnership with Tyne and Wear Citizens and relationships with the voluntary, community and social enterprise sector.

Our contribution towards the UN SDGs:

Climate Ambassadors

UN SDGs: 17. Partnerships for the goals; and 4: Quality Education

In May 2024, we became the host of the North East Climate Ambassadors Hub. This scheme is a £2m Department for Education programme in partnership with the University of Reading and EAUC and support from STEM learning. It will provide nurseries, schools, colleges and universities across England with free access to local experts who can help turn their climate and sustainability ambitions to action.

Examples of activities that Climate Ambassadors might get involved in include teacher training days, fact-checking resources for teachers, advice to school leaders or governors on cutting carbon emissions, or even making practical suggestions on when to schedule sports days to avoid heat stress.

Strategic and operational review

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, knowledge we create and the skills we develop. 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

- **Good – Global research profile**

The profile of our internationally excellent and impactful research

- **Satisfactory – Global student mobility**

Recruiting international students and providing international experience for students

- **Medium risk – South East Asia sustainability**

Sustainable research and education engagement across South East Asia

Progress during the past year with an eye to the future

Growing and diversifying our global student community

In 2023–24, we welcomed 786 international undergraduate (UG) students and 2,967 international postgraduate taught (PGT) students. Further ambitious growth targets for international students for 2024 entry were agreed, however, international recruitment is challenged across the sector. This cycle has seen the announcement of major changes to the dependants' visa and sustained uncertainty over the future of the graduate visa route which, coupled with increased costs to study, has led to increasing anxiety and reluctance for students to commit to study in the UK.

Our international recruitment strategy remains focused on achieving targets and developing sustained recruitment channels to support diversity in our student cohort, and in the subjects they study. Key initiatives include a significant process of portfolio development

over the next two years to ensure our course offering meets the demand of a global cohort; the implementation of a more holistic approach to fee-setting and financial support for our international students; and the development of diversified modes of recruitment for Newcastle with a commitment to expanding our recruitment pathways with partner institutions.

Global opportunities for students

We remain committed to increasing student mobility and are working towards a target of 1,500 mobile students by 2025. We reached 1,400 mobilities undertaken by 1,100 students in 2022–23. We are awaiting the outcome of our fourth Turing Scheme bid, having secured over £1m each year in each of the first three years of the scheme and have continued to focus on widening access to mobility by developing non-traditional models of exchange including short-term opportunities, summer schools, and virtual exchange. This year, we have been able to support over 200 students from previously under-represented groups in our mobility cohort. Examples of student placements:

- Joint University Study Tour (JUST), a multi-university partnership that provided students the opportunity to hear how International Organisations such as the UN and WTO work, followed by a one-week internship in an Embassy or Permanent Mission in Geneva.
- Internships with the International Coalition of Sites of Conscience (ICSC); ICSC is a global network of historic sites, museums and memory initiatives connecting past struggles to today's movements for human rights and social justice. Host sites included the Srebrenica Memorial Center in Bosnia, the Youth for Peace Organization in Cambodia and the Human Rights Media Centre in Cape Town.
- Summer schools at one of our student exchange partner universities.

We have signed over 40 student exchange agreements with institutions including Korea University, National Autonomous University of Mexico (UNAM), and O.P. Jindal University in India. However, future mobility funding is a challenge: the end of the UK's participation in Erasmus+ and the advent of the Turing Scheme has resulted in an overall net loss of funding to the UK HE Higher Education sector.

Global research profile

Our approach to partnerships and collaborations continues to be strengthened by targeted support for a smaller number of broad, strategically aligned collaborations.

In India, our NEESAMA (North East England South Asia Mental Health Alliance) project brings together partners in Bangladesh, India, Iran, Nepal, Pakistan, Sri Lanka and the UK to improve research, education and clinical service delivery within mental health services by fostering collaboration between policy makers, researchers and clinicians from across South Asia and the North East of England.

Our developing partnership with the University of the West Indies has resulted in the launch of a new Centre for Oceanography and the Blue Economy, in partnership with the Association of Commonwealth Universities. Our twinning partnership with the National University of Water

and Environmental Engineering (NUWEE) in Ukraine is developing well and we hosted 30 NUWEE colleagues and students in Newcastle for a conference in July with a focus on water engineering.

We have continued to diversify our partnership portfolio and have signed new agreements with institutions including Universitas Indonesia, BMKG (Indonesia's Meteorology, Climatology, and Geophysical Agency), Southeast University China, and the Taiwan-UK University Consortium.

The percentage of international co-published papers remains consistently high. Whilst international research funding has been challenged by the long period of uncertainty of the UK's association with Horizon Europe, plans are in place to support an increase in international and EU research funding applications.

South East Asia Strategy

The recruitment to a new Group CEO and Provost: ASEAN (Professor Dennis Wong), a new CEO for our Malaysia campus (Professor Visha Devi Nadarajah) and a new CEO for our Singapore campus (Professor Jonathan Galloway) was concluded, and all three appointees are now in post. A comprehensive strategy for the wider ASEAN region is in development.

World University Ranking Tables	2020	2021	2022	2023	2024
Leiden Rankings	78	66	78	69	83
QS World University Rankings	152	134	122	110	129
Times Higher Education World University Rankings	178	146	139	168	157

Our contribution towards the UN SDGs:

Centre for Oceanography collaboration with partners

UN SDGs: 11. Sustainable cities and communities, 14. Life below water; and 17. Partnerships for the goals

In May 2024, we collaborated with partners in Antigua and Barbuda to launch the Centre for Oceanography and the Blue Economy (COBE). The collaboration, which includes the University of the West Indies, the Government of Antigua and Barbuda, the Association of Commonwealth Universities, and the Commonwealth Secretariat, will contribute expertise in marine research and sustainable development. COBE's missions are to advance knowledge, promote sustainable practices and drive economic growth in the region.

The creation of COBE represents a significant milestone in the efforts to harness the global potential of the blue economy, while addressing the unique challenges faced by small island developing states in this context.

Strategic and operational review

Our students

Strategic priorities

Supporting health and wellbeing through sport and harnessing the power of AI are central to our efforts to improve our students' experience.

Supporting wellbeing

Promoting good mental health has been a significant focus for the University and the wider HE sector in response to the well-publicised increase in mental ill-health among young people worldwide. Our focus is on proactive prevention and, with the support of our wellbeing advisers in schools, specialist support teams and a range of virtual tools, we are improving the visibility of the services we offer. We have also signed up to the Student Minds University Mental Health Charter, supported by Universities UK, who provide us with helpful guidance.

Being physically active is widely acknowledged to be a route to good mental health. Our student athletes continue to thrive, benefitting their health and wellbeing as well as enhancing the University's reputation. Nearly 2,000 students played a part in propelling us to 8th place in the British Universities and Colleges Sport league this year, equalling our highest ever ranking and placing us 6th – our best ever position – in the Russell Group overall.

Sport is also integral to our institutional commitment to social justice. During the year, students and sports colleagues have been working with institutions in Saudi Arabia, delivering programmes to more than 350 women across four cities to support the development of women's leadership through sport. In partnership with Foreign, Commonwealth and Development Office and Princess Nourah University in Riyadh, we are helping to develop student advocacy and voice, supporting the rapidly evolving women's empowerment landscape in the member countries of the Gulf Cooperation Council.

Transforming our student spaces

Work has started on the redevelopment of our central administration building, King's Gate. The aim is to provide a welcoming front door and a place for students and the wider community to meet and work, as well as increasing the spaces available for vital one-to-one wellbeing support.

The transformation extends to our student digital spaces too, where, in addition to launching a new portal for Continuing Professional Development, we now have a new digital "front door" where students can access the tasks they need to support their studies, such as registering on their course, viewing their timetable, updating their personal details and booking study spaces in the library.

Graduations on tour

In March, we hosted celebration events in Shanghai, People's Republic of China, for graduates who had been unable to attend their graduation ceremonies in Newcastle due to travel restrictions during the Covid Pandemic. Some 800 graduates, family members and friends attended the events, which were hosted by the Vice-Chancellor and President. The events provided an opportunity for the graduates to don their gowns and hoods, celebrate their academic achievements and reaffirm their relationship with the University as valued members of our 270,000 strong – and growing – worldwide alumni community.

Using technology to understand the student experience

Providing an outstanding experience for our students has always been our top priority. Understanding our students' experience, therefore, is key to making it better. For the first time, we have used the power of artificial intelligence (AI) to analyse open comments gathered through our core student surveys. Along with the introduction of a new results dashboard, this has given academic units and service teams faster access and greater insight into this vital source of feedback, allowing us to drive forward enhancement. Listening to and acting on this insight, and setting our priorities accordingly, will be vital to our continued success in future.

Strategic and operational review

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

An area of focus this year has been the refresh of our leadership and management development offer. Our new approach has three main elements, as follows:

- A new leadership model that sets out the expectations of capabilities, skills and behaviours.
- A refreshed approach to annual planning conversations that focuses on the development of existing leaders and building more effective talent pipelines for critical roles.
- An updated set of programmes and offers that provides development at all levels of leadership and at critical transition points.

The new offer was launched in May 2024. We received 177 applications across the eight main programmes and apprenticeships. The programmes will start delivery in the Autumn.

Another area of focus in the last year has been our mandatory training. Having identified concerns with the levels of completion, we agreed a number of key improvements. These included reducing the number of courses and improving the quality and content of the critical modules alongside improved communication and notifications. Our levels of completion over the year from May 2023 show an increase of between 9% and 19% across our five mandatory modules.

We continue to consider how we may best utilise our apprenticeship levy to develop the skills and capabilities of our colleagues. In the last year, we have used £261k of our levy and transferred just over £86k to Health Education England North East (HEENE) to support their apprenticeship work. We have focused on new apprenticeship standards such as data and improvement, as well as existing areas like project management. 2023 saw the University invest in its first entry-level cohort of 13 Business Administration apprentices who have been placed across the University in a range of functions. We hope to build on this scheme and have already identified an additional seven placements for the coming year.

Equality, diversity and inclusion (EDI)

Athena Swan accreditations provide us with the opportunity to take a step back from the day-to-day activity, review the data and progress made and provide a framework for evaluation and action planning. A significant amount of work has gone into collating the progress that has been made and identifying further improvements for the future, with the following recent awards:

- Silver award for the School of Natural and Environmental Sciences
- Silver award renewal for the Faculty of Medical Sciences
- Silver award for the Faculty of Humanities and Social Sciences, its first Faculty application
- Bronze award renewal for the School of Engineering

In other EDI areas, we have been awarded Disability Confident Level 2, which has particular focus on recruitment. Our recruitment team continue to work to make our recruitment inclusive, with further developments planned for guidance and training.

Our EDI Networks continue to support and advocate for our colleagues and PGR students with protected characteristics. Some recent events included a session on Good Girl Deprogramming ran by NU Women with over 100 attendees and a joint session with the University and NU Race Equality Network to share good practice across a range of Universities on their Race Equality Charter work.

Colleague wellbeing

We focused on improving the content and reach of our communications in order to ensure that more colleagues are aware of the service. Our volunteer network continues to grow with over 185 colleagues supporting the wellbeing agenda by volunteering across our range of opportunities such as Just Ask, Wellbeing Ambassadors, Menopause Champions, Grief Support and Walk Leaders. This year saw the mailing list which provides monthly newsletters grow to 1,158 colleagues, with over 800 colleagues attending events or meetings, over 1,000 colleagues received a free flu jab and 202 colleagues benefitted from an MOT health check. In addition to this, we have commissioned or delivered over 40 workshops on a variety of topics including mental health first aid, supporting neurodiverse colleagues, nutrition, grief and in the current cost of living crisis, financial empowerment.

Colleague engagement

We reported in the last annual report that we were about to launch our new pulse-based approach to colleague surveys. In the last year, we have deployed two surveys, one focused on workload and wellbeing which achieved a 47% completion level and one on personal and career development which had 35% completion. Alongside the themed questions, each survey has a set of four general engagement questions. The average of these four questions provides us with a measure of engagement that we can track over time. The new survey platform allowed the results to be disseminated shortly after the survey closed, enabling colleagues to start working with the data and insights in a timely way. Three further surveys

are planned for 2024–25 on the topics of leadership and management, culture and values, and reward and recognition. After this full set of five themed surveys, we will also carry out an evaluation of our approach in order to plan our ongoing strategy to engagement surveys.

Recruitment

Whilst the recruitment market continues to remain challenging for 2023–24, our applications grew by 39% demonstrating that our diverse range of candidate attraction methods and continued efforts to raise our brand are reaching the market. We continue to grow our brand awareness and candidate engagement through a variety of online and in-person activities to ensure we raise awareness of Newcastle University as an employer of choice and reach a wide and diverse audience to promote our vacancies and attract talent, considering what employees want from their employers.

Consultation and industrial action

The marking and assessment boycott ended on 6 September 2024 when it was withdrawn by UCU. Since then, we have not had any industrial action or ballots for industrial action.

We implemented a change to harmonise the working week for all colleagues (excluding Clinical colleagues) moving from 40 hours to 37 hours from 1 May 2024. Furthermore, we have been working with UNISON and UNITE to offer further parity in some other elements of our terms and conditions and as a result are increasing leave entitlement from 1 October 2024.

We launched a voluntary severance scheme in February 2024 for eligible UK-based colleagues who were interested in leaving the University. We received 254 applications and approved 151 colleague applications. In addition, we have been through collective consultation with our trade unions due to the closure of our student accommodation at Castle Leazes in June 2024. Whilst these situations are always difficult, the trade unions and affected colleagues were positive about the process noting the thorough and considerate consultation, communication and ongoing support for colleagues.

We employed 6,190 full-time equivalent colleagues (headcount 6,781) at 31 July 2024.

We scored 7.5 out of 10 in colleague engagement (*NU Colleague Engagement Survey 2023–24*).

Our contribution towards the UN SDGs:

Supporting active travel for students and colleagues

UN SDGs: 3. Good health and well-being; 11. Sustainable cities and communities; and 13. Climate action

We offer a number of incentives to support active travel choices for colleagues and students when commuting to the University. There is an opportunity to purchase bikes and safety equipment through a salary sacrifice Cycle Scheme. We also offer a regular free bicycle maintenance service which provides bicycle health checks, basic maintenance work and 'bike prescriptions' for more complex repairs.

In July 2023, we celebrated Bike Week by collaborating with WATBike and Cycling UK to offer a variety of free cycling events in the centre of campus. Events included a second-hand bike sale, confidence sessions and guided rides offering practical cycling skills to our University community.

Strategic and operational review

Physical and digital infrastructure

We consider the future development of our physical and digital campus to support all campus users.

Progress during the past year with an eye to the future

Physical infrastructure

Our ongoing investment in the estate through capital and long-term maintenance projects guarantees that we consistently offer excellent facilities for both colleagues and students. The reconfiguration of Level 4 in the King's Gate building, designed to accommodate more flexible working environments, has been very well received. We have now begun work on Levels 1 and 2, which will bring about a major transformation of the building's reception area and improve access to our Student Support services.

The redevelopment of the Stephenson Building has been met with great approval, with the first phase successfully operating throughout the entire academic year and the second phase now finished, ready for the 2024–25 academic year. The cutting-edge collaborative teaching spaces on the ground floor, along with the Student Makerspace, are huge successes. These facilities have drawn considerable attention regionally, nationally, and internationally, and the building has already earned its first award.

Whilst the size of the estate decreased slightly due to some demolitions at Cockle Park Farm, the estate will increase significantly from 2025 when the Stephenson Building is recognised.

The site masterplan for the Health Innovation Neighbourhood (HIN) has been approved by Newcastle City Council planning committee. Demolition of the old hospital buildings has commenced, supported by North East Combined Authority with £5m of trailblazer funding.

Student numbers in accommodation remained stable throughout 2023–24, we housed 4,371 students in University-owned accommodation and an additional 1,750 in commercial student accommodation schemes through nominations agreements. Average occupancy for University-owned accommodation remained at over 97% per month for the academic year 2023–24, with limited numbers of students withdrawing and demand for accommodation remaining high have established stronger links with Northumbria University, Newcastle City, Gateshead and North Tyneside Councils to monitor and respond to the student housing requirements, HMO licensing and PBSA compliance with fire safety.

The redevelopment of Castle Leazes has commenced, supported by our partnership with Unite Students. Demolition of the existing buildings is well underway and the planning application for the new 2,000-bed development was submitted in June. Construction work is expected to commence in 2025, subject to planning.

Digital infrastructure

The University's future digital landscape is key in supporting the delivery of the University's strategy. This year, we progressed and completed inflight strategic projects, including the installation of IT and AV elements of the Stephenson building project, delivering the CRM system for Business Development and Enterprise Services and supporting the new tuition fees solution. We also successfully supported the implementation and use of the new admissions system for undergraduate students, and improved our approach to the collation and deployment of software in preparation for teaching.

We continued to improve our infrastructure and successfully implemented a new server and storage platform to give greater capacity and speed to run critical services. This was a significant investment in infrastructure and a complex programme of work to ensure a seamless cutover.

We introduced a range of initiatives to improve our front-line service delivery and support effective operational management including detailed performance dashboards, automated management reports, standard operating procedures and various improvements to our processes, including the ordering and provision of hardware.

We improved our knowledge and expertise in areas such as service management (the Information Technology Infrastructure Library (ITIL)), process improvement (Lean Six-Sigma) and project management, as well as a wide range of technical areas to address training and development needs. A total of 55 accreditations were achieved by NUIT colleagues during the year.

Our governance arrangements continue to strengthen and provide a robust framework for the effective oversight of our operations. The Information Security Committee continued to improve the University's strategic focus on data protection and cybersecurity and approved the new Cyber Strategy and the Accountability Framework. The Infrastructure Strategy Group (ISG) brings together the strategic governance of both the physical and the digital estate. This group has supported in the introduction of a guide to IT project delivery, collated and prioritised the IT project portfolio and supported the ongoing review of the estate.

The benefits of the structural changes within our IT Service, along with better governance arrangements and new ways of working, are now being realised and we are much better placed to serve the complex demands of our diverse stakeholder groups.

Key figures

Delivering our strategy: c800 applications packaged and deployed; 79,000 service request tickets actioned; 5,400+ cluster room machines maintained; 230 network comms rooms maintained; 650+ colleagues attended skills workshops.

Our contribution towards the UN SDGs:**Stephenson Building Sustainable Design****UN SDGs: 11. Sustainable cities and communities; and 12. Responsible consumption and production**

Phase one of the redevelopment of the landmark 1950s Stephenson building has been completed. The building's world-leading engineering facilities include AI and robotics labs, a mechanical workshop and makerspace.

We worked with architects on the project to implement a one-click Life Cycle Assessment (LCA) software tool which tracked embodied carbon, in support of reducing environmental impacts resulting from the redevelopment. The building is supported by a timber structure made from wasted wood, which was adopted as a lower-carbon alternative to steel. There is a blue-green roof to manage run-off from rainwater and Solar PV panels to provide renewable energy for the building. Heat and power are provided by the biofuel CHP installed in Merz Court as part of the project, which will reduce the University's carbon emissions by over 1,400 tonnes each year.

Strategic and operational review

Environmental sustainability

Our core environmental sustainability strategic priority is to become a net-zero University by 2030. We aspire to achieve this 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

Work towards our priority of net-zero carbon emissions by 2030 has continued to progress in a variety of different ways. Through our campus Solar PV project, we have installed new arrays on seven of our building rooftops, making a total of 16 buildings to date which will reduce our imports from the national electricity grid in future years.

We have also invested in our energy networks to reduce our reliance on fossil fuels and in February installed a biofuel Combined Heat and Power (CHP) unit in Merz Court Energy Centre. The CHP will generate power and provide district heating and hot water for six buildings. Additionally, from the Autumn the University's heat networks will be extended to connect across the campus from the Merz Court to the King's Road boiler house networks. This will increase the number of buildings connected to our larger, central campus network, maximising carbon savings from the biofuel CHP and increasing our network resilience.

Energy efficiency also forms a key part of our work, we are now in the final phase of our LED lighting replacement project, and on completion, all our fluorescent light fittings will have been changed for LED, saving approximately 4.6m kWh of energy and nearly 1,000 tonnes of carbon dioxide emissions per year.

We continue to deliver engagement programmes to support colleagues with embedding sustainability within their working area. Integration of the Laboratory Efficiency Assessment Framework (LEAF) has increased, with 47 lab teams engaging with the criteria, and 12 labs achieving Bronze awards, 8 Silver and 9 Gold. In the past year, we have added to this by offering the Green Impact programme, which provides a toolkit of actions that colleagues can follow to improve sustainability in their workplace. Students are also a fundamental part of this programme, with volunteers attending an IEMA-approved environmental auditing course to equip them with key skills to undertake assessments of submitted toolkits.

Our commitment to responsible use of resources has been demonstrated through action taken because of the redevelopment of Castle Leazes halls of residence where colleagues in the Accommodation Team worked with a range of charitable, public and non-profit organisations to donate furniture and other items no longer required. Included in the list of benefitting organisations were schools, The People's Kitchen, and the City Library. Urban Green also attended the site to accept donations of hundreds of pounds' worth of plants which were replanted in parks throughout the city.

Promotion of sustainable travel is a growing priority. To support colleagues and students commuting to campus we host a weekly Dr Bike service to provide free cycle repairs and guidance on campus, as well as other events including bike sales and a Bike Week which includes cycle confidence and maintenance sessions. Looking ahead, we will aim to build on this active travel work with a revised travel plan to affirm commitments to enable and promote sustainable travel choices.

Our contribution to the United Nations Sustainable Development Goals (UNSDGs) is recognised through our top 100 position in the Times Higher Education (THE) Impact Rankings. Whilst our overall rank in this metric has decreased compared to previous years, we remain committed to continual improvement in our work to embed sustainability throughout our strategic direction and core activity.

Our contribution towards the UN SDGs:

Castle Leazes Community Donations

UN SDGs: 11. Sustainable cities and communities; 12. Responsible consumption and production; and 15. Life on land

The Castle Leazes halls of residence building was approaching the end of life, therefore to create fit-for-purpose accommodation, refurbishment of the existing building has not been possible; however, measures are being taken to reuse and recycle as much material from the building fabric and contents.

We worked with the City of Sanctuary network, a variety of charitable, public, and non-profit organisations across the region, to donate a range of furniture items to new homes. Benefitting organisations included schools, The People's Kitchen and City Library. Urban Green also attended the site to collect plants that have been relocated to parks across the city.

Environmental and Energy Management Systems Data	2022–23	2021–22	2020–21	2019–20	2018–19
Estate Gross Internal Area (m ²)	485,999	490,052	501,721	497,529	486,755
Scope 1 and 2 Carbon Emissions (tCO ₂ e) ¹	21,546	21,859	21,572	23,490	26,854
Scope 1 and 2 Carbon Emissions (kg per m ²)	44	45	43	47	55
Scope 3 Carbon Emissions Total (tCO ₂ e) ²	97,627	93,092	69,987	98,522	109,265
Business Travel Carbon Emissions (tCO ₂ e) ³	7,170	2,626	203	3,822	7,476
Total Energy Consumption – Electricity (kWh)	46,564,199	44,809,804	42,471,820	43,691,196	51,648,206
Total Energy Consumption – Gas (kWh)	48,584,655	56,899,639	52,089,731	52,220,880	55,852,096
Total Energy Consumption – Heat (kWh)	13,568,640	13,899,640	12,965,270	12,390,572	14,132,006
On-site Photovoltaic Electricity Generation (kWh)	189,917	58,786	55,751	51,723	65,402
Total Water Consumption (cubic metres)	294,287	286,268	226,976	290,524	311,883
Total Waste Mass (tonnes) ⁴	1,719	1,930	1,568	1,690	2,095
Total Waste Mass – recycled via source separation (%) ⁴	44	47	42	42	35

¹ Scope 1 – direct emissions from owned or controlled sources, eg natural gas, fleet vehicles.

Scope 2 – indirect emissions from the generation of purchased electricity, steam, heating and cooling.

² Scope 3 – all other indirect emissions that occur in our value chain including procurement, business travel, capital goods (construction and IT) etc.

³ Business Travel is one source included within Scope 3 Total above.

⁴ Excludes other works, eg construction and refurbishment.

⁵ 2023–24 data is not available at the time of publication.

The data above is unaudited information

Financial review

Despite a challenging operating environment, we have been able to deliver growth in income, however continued pressure on costs has resulted in a small underlying deficit.

The 2023–24 year saw continued significant cost inflationary pressures on pay and selected operational expenses that impacted the ability to increase our underlying result despite growth in most key income areas.

The University was able to further increase international student recruitment and therefore tuition fee income in 2023–24. Research income has also seen further strong growth and is underpinned by increased levels of grant awards for future years. The noted growth in income streams has proved crucial as a cost base under high inflationary pressure, notably staff costs and utilities have resulted in a small underlying deficit for the year, in line with budget expectation.

Key figures

Total income - £635m (2022–23: £608m)

Total income grew by 4% representing improvements in tuition fee, research and investment income

Tuition fee income - £322m (2022–23: £302m)

Tuition fee income was £20m higher than 2023, resulting from strong recruitment of international students in 2023–24

Research income - £126m (2022–23: £119m)

Our research income improved by £6.8m, an increase of 6%, with further growth in applications and awards which will benefit future years

Underlying deficit - £(5.2)m (2022–23: £3.8m surplus)

Despite income growth, continued and challenging cost inflation and selected investment has resulted in a small underlying deficit in line with our budget expectation

Statutory surplus - £151m (2022–23: £30m)

Our statutory result has been heavily affected by pension accounting adjustments, in particular a credit of £151.0m (2022–23: £31.2m) to staff costs as a result of USS pension valuation

Cash balances - £190m (July 23: £218m)

The University continues to have strong liquidity with cash balances controlled over the course of the year despite investment, providing a strong foundation for future years

Capital investment £45m (2022–23: £48m)

Capital investment includes the continued redevelopment of the Stephenson Building and spend on our sustainability projects

Underlying staff costs £362m (2022–23: £346m)

Underlying staff costs grew by 5% in 2023, reflecting growth in headcount and increased pay award. Staff costs to income ratio was flat at 57%

FTE as at 31 July - 6,190 (July 23: 6,033)

Higher staff retention and an improved recruitment market have delivered growth in FTE and investment in staff resource in all areas.

Underlying operating performance

As in previous years, the statutory financial performance of the University is significantly impacted by pension scheme valuations and pension accounting. For the purposes of assessing our underlying operating performance, we exclude these adjustments and other exceptional costs such as movement in the fair value of our endowment investments.

Income

Total income at £634.8m is up 4% year-on-year, through improved levels of tuition fee and research income, as well as increased investment returns on cash balances.

Tuition fee income earned in the financial year totalled £322.4m. This represents an increase of 7% compared to the prior year and was driven by further improvements in our recruitment of international undergraduate and postgraduate students.

Overall, student headcount was relatively flat. The proportion of international students taught in the UK was 27%, increasing from 25% in 2022–23, with income generated from these student categories increased by £18.1m or 17% to £124.9m (2022–23: £106.8m)

Funding body grants represent 14% of total income and were £1.2m lower than the prior year, largely attributable to one-off research awards received in 2022–23 of approximately £6m not being repeated. Teaching capital investment framework grant income of £2.5m awarded in prior periods was realised in the period. A successful bid to secure teaching capital infrastructure funding for identified investment will be reflected in future periods.

Research income of £126.1m reflected a 6% increase from the prior year (2022–23: £119.3m) and continued the upward trend of recent years. In addition to income growth, applications for new grants in the 12 months to July 2024 increased in both 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 in the year giving confidence for future research income performance.

Other income including revenues earned through our student accommodation, catering and conferencing activity, consultancy, work with healthcare authorities and non-research grants remained largely consistent with prior periods at £80.3m (2022–23: £79.7m).

Increases in our investment income of £9.7m (2022–23: £6.1m), driven by our cash reserves, consistently higher interest rates and application of our new treasury management strategy, were offset by a fall in donation and endowment income to £7.6m (2022–23: £11.0m).

Expenditure

On a statutory basis, total expenditure decreased by £80.0m or 14% to £493.3m. This total includes the impact of pension accounting adjustments but excludes asset impairments and other movements in investments, associates and joint ventures. Underlying expenditure, excluding pension adjustments, increased by 7% to £644.3m (2022–23: £604.5m).

Staff costs have increased on an underlying basis by £16.5m (5%) to £362.0m (2022–23: £345.7m) once adjusted for movements in pension scheme, holiday pay accruals and the impact of severance costs including Voluntary Severance Scheme (note 28). The increase is largely driven by sector-wide pay awards reflecting inflationary pressures as well as FTE growth across the year, offset by a beneficial reduction in USS employer contributions from January 2024 onwards. Average staff numbers (FTE) have increased by 115 colleagues (1%) to a year-end position of 6,190 employees. The underlying staff cost represents 57% of our underlying income for the year, consistent with prior year but in excess of our long-term target.

Other operating costs of £235.7m are £21.3m (10%) higher than the prior year (2022–23: £214.4m), further influenced by continued high inflationary conditions and increases to research costs. Utility costs that saw significant growth in 2022–23 have increased by a further 27% to £19.4m in the period, however an improved hedging position and more stable energy prices are expected to see this fall in future periods.

Depreciation has increased to £34.7m (2022–23: £33.5m) in the year. In addition, an impairment charge of £2.4m has been recognised in 2023–24 on land held by the University.

Capital investment

Capital additions during the year were £45.3m (2022–23: £47.7m), centred largely on the remaining 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.

There were no significant disposals of University assets during the year. At the financial year end there were £19.0m of contracted capital commitments (2022–23: £22.5m).

Cash and liquidity

Cash and cash equivalents, including short-term deposits, ended the year at £189.7m (2022–23: £217.7m). We operate a robust treasury management policy, which assesses security, liquidity and return. We continue to monitor opportunities to maximise our return and, assisted by continued higher rates, our interest income in the year has increased to £9.0m from £5.3m in the prior period.

Our net cash position, which includes the impact of borrowing and leases, reduced from £99.5m to £76.1m. In July 2023, the University entered into a £75m Revolving Credit Facility with Lloyds Bank which provides seven-year unsecured committed funding and offers additional liquidity and flexibility. Our endowment-related investments have ended the year

with a value of £98.5m, an £8.5m 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 £1.4m 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 Universities 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.

During the year, the USS scheme actuarial valuation concluded with the USS scheme in an actuarial surplus position. As a result, the deficit recovery payments ceased during the year and the USS pension balance sheet provision was released resulting in a credit of £151.0m to the Statement of Income and Expenditure.

The year-end accounting position for the RBP scheme has deteriorated marginally during 2023–24 moving from an actuarial deficit position of £37.2m to £38.6m.

Outlook and financial sustainability

The University and the wider Higher Education sector have observed increasingly difficult operating and financial conditions over recent years, culminating in a challenging recruitment cycle in September 2024 that has seen international student recruitment fall significantly below planned levels.

In reaction to this, the University has acted quickly to identify, approve and implement a range of measures to recover most of the tuition fee income shortfall in the 2024–25 financial year, providing a revised financial plan that delivers a break-even operating result and higher year-end cash balances than initially planned through control of capital expenditure.

With a plan for 2024–25 approved and communicated, management effort has now turned to future year planning on the basis that student recruitment remains as challenging as the current period, with appropriate and longer-term cost adjustments required to secure an acceptable operating financial performance and strong cash resources.

The recent change in government may also bring a new approach to Higher Education policy and funding. The first sign of intent is the small uplift to home undergraduate fees from 2025–26 which provides welcome balance to the Employers National Insurance Contribution increases announced in the most recent budget. While the fee rise is a positive move, recruitment of international students remains key for both Newcastle and the wider sector to continue to deliver underlying surpluses. The lasting effect of recent high inflation remains a material financial risk given that the scale of the cost base of the University. The generation of sustainable financial surpluses are crucial in supporting ongoing reinvestment into our core operations and student services.

The key risks for the University in the short term will be the prospect of further tuition fee decreases as a result of low recruitment of international students, in excess of prudent planning assumptions, and a failure to deliver cost efficiency benefits.

Central risk overlays are provided in our financial planning for 2025–26 onwards to offer further protection against either eventuality.

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 77.

Our contribution towards the UN SDGs:

Sustainable investing

UN SDGs: 13. Climate action and 17: Partnerships for the goals

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.

Governance

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 £8.6m through our Access and Participation Plan to student financial support for the next year. In 2023–24, we provided £1.9m in means-tested scholarships to support 1,191 new undergraduate students from low-income families who might otherwise have been unable to afford the costs of going to university. This constituted 21.3% of our full-time UK and EU undergraduate entrants in 2023–24. We also paid a further £5m to support 3,442 undergraduates continuing their studies. Total undergraduate financial support of £6.9m for 4,633 students in 2023–24 was broadly in line with scholarship expenditure for the previous year. We supported 39 mostly full-time taught postgraduates from widening participation backgrounds with scholarships of up to £5,000, to supplement the Postgraduate Masters' Loans available from the Student Loans Company.

During 2023–24, we awarded more than 9,800 undergraduate and postgraduate degrees.

We are the largest research university in the North East. During the calendar year 2023, our academic colleagues published 4,539 research articles, books, book chapters and conference proceedings, a slight decrease from 4,745 in the previous year.

Alumni engagement

Newcastle University is proud to support a global community of almost 270,000 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 2023–2024, we had over 34,500 active engagements with our 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 from world-leading researchers and alumni sector leaders.
- NCL Support – volunteering and fundraising for future students, future research and the future of positive change in our city and around the world.

Over the course of the year, we held 76 events for alumni, circulated six editions of the University's online alumni magazine *Arches* to a readership of 132,852, and grew the numbers subscribing to alumni social media channels to over 46,000.

NCL in Action is an annual celebration of the University's work in response to major societal challenges. In 2023–2024, over 1,160 graduates from all over the world took part under the theme of 'Moving on Up: Empowering our communities to reach their potential'. Working in partnership with the Newcastle United Foundation, more than 2,000 young people are now benefitting from this campaign, including students at 49 schools across the North East.

All Newcastle University graduates are members of Convocation which holds an annual meeting where members discuss the latest University developments. The 2023–2024 meeting of Convocation was held on Saturday, 13 July 2024.

Philanthropy

Since launching the first, large-scale fundraising campaign in Newcastle University's history in 2021, the Campaign for Newcastle University has raised £118m to date, from individuals, charities, companies and grant-making organisations. In 2023–24, our fundraising impact has covered the following areas:

- Student: in early 2024, the Newcastle University Student Fund passed the £1m milestone. Impact includes bursaries for estranged students, widening participation in clubs, societies and sports, and funding to support next steps following graduation.
- Research: the launch of the Discovery Fund in 2024 will enable anybody to support groundbreaking research at Newcastle University. Highlights this year have included a

£580,000 donation to dementia care research, a £1.1m donation for advanced equipment in the field of biomedical engineering, and £250,000 raised towards diabetes research.

- Community: we are continuing to raise funds for our University of Sanctuary programme, including Sanctuary Scholarships and Fellowships, and the IntoUniversity partnership.

In total, over £10.6m was given to the University by 1,596 individual and 172 organisational donors.

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.

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.*

Governance

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.

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

The statutes require the University to have a number of separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities. 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. Senate is the academic authority of the University and its role is to direct and regulate the teaching and research work of the University. Full details can be found at <https://www.ncl.ac.uk/executive/governance>. 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.

Council met six times during 2023–24, 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 Castle Leazes student accommodation
- endorse progress with the development of the Health and Innovation Neighbourhood on the site of the former Newcastle General Hospital
- approve a revised University Education Strategy
- Council also considered and held discussions on:
 - performance in student surveys, degree outcomes, and assurance of quality and standards
 - the outcome of the University's performance in 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

- financial sustainability of the UK higher education sector
- updates on recent achievements and priorities from each of the University's three faculties

The Chair 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). This exceptional arrangement was to support effective succession planning for the Chair and Vice-Chair roles, and was considered and approved by Nominations Committee and Council. Paul Walker completed his tenure as Chair on 31 July 2024 and Pat Ritchie commenced her tenure as Chair with effect from 1 August 2024. The chair-elect served 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 2023–24

Lay members

Paul Walker (Chair)

Pat Ritchie (Vice-Chair)

Angela Russell (Honorary Treasurer)

Derek Bell (from January 2024)

David Bird

Tom Caulker (until June 2024)

Linda Conlon

Alex Lamb

Bill MacLeod

Claire Morgan

Dianne Nelmes

Marta Phillips

Mags Scott

Nitin Shukla

Angela Woodburn

Ex officio members

Professor Chris Day (Vice-Chancellor and President)

Professor Brian Walker (Deputy Vice-Chancellor)

Staff members

Dr Shoba Amarnath (until March 2024)

Jan Deckers

Jo Geary

Professor Rhiannon Mason

Student representatives

Shah Yaseen Ali (President, Students' Union)

Lulu Chen (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 2023–24**Lay members**

Bill MacLeod (Chair)

David Bird

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 2023–24**Ex officio members**

Angela Russell (Chair)

Professor Chris Day

Professor Brian Walker

Paul Walker

Lay members

Linda Conlon

Alex Lamb

Student representative

Shah Yaseen Ali (President, Students' Union)

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 2023–24

Ex officio members

Paul Walker (Chair)

Professor Chris Day

Professor Jane Robinson

Lay members

Hilary Florek

Sarah Glendinning

Vikas Kumar

Dianne Nelmes

Pat Ritchie

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 page 65.

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, and to its Designated Data Body (DDB) 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 administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with Council.

Executive Board membership 2023–24

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 (Chief Financial Officer)

Professor Richard Davies (Pro-Vice-Chancellor – Global and Sustainability)

Professor Stephanie Glendinning (Pro-Vice-Chancellor – Science, Agriculture and Engineering)

Professor Matthew Grenby (Pro-Vice-Chancellor – Research and Innovation)

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 (Pro-Vice-Chancellor – Education)

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.

2023–24 saw an increase in accidents reported for students and colleagues including an increase in RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents. However, raising awareness of, and encouraging, incident reporting is likely to have contributed to this increase, which has been an objective agreed by Council for two years. We have completed 10 of 10 actions in the first year of the five-year Health and Safety Strategic Plan. The 10 actions for next academic year have been planned. A successful procurement process has been undertaken for both Occupational Health Services and an Employee Assistance Programme, both contracts began in May 2024. All of our internal Health and Safety audits were completed with action plans developed for tracking. An increase in audit scores has been observed, suggesting that previous audit action plans have been implemented. Work was undertaken to ensure the health, safety and wellbeing of students, colleagues and protesters during the campus encampment. This included continually considering the potential risks and providing health and safety communications to the encampment to reduce risks, working with a range of other University teams to do so. Sickness absence rates increased marginally from 2.5% in 2022–23 to 2.8% in 2023–2024.

Trade union facility time

The trade union (Facility Time Publication Requirements) Regulations 2017 require us to collect and publish, on an annual basis, a range of data in relation to our usage of and spend on trade union facility time in respect of our colleagues who are trade union representatives. The following information relates to the 12 months ended 31 March 2024.

29 colleagues acted as trade union representatives during that period, with the majority spending between 1% and 50% of their working hours on facility time and one representative spending 51-99% of their time on facility time. This totalled 5,194 hours and a total cost of £132,050 (0.04% of total staff costs). 2,702 hours were spent on paid trade union activities (52% of total facility time).

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](https://www.ncl.ac.uk/foi/publication-scheme/policies)

Governance

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 2023–24 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

Governance

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 Understanding our risks (page 17). 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.

In terms of compliance with OfS conditions of registration, the University has an OfS Internal Assurance Framework that is updated throughout the year and reported to Council on an annual basis. Each condition has a named senior management lead. A broader assurance framework setting out our compliance with highly risk-rated areas of relevant legal obligations is in development.

Overall, in respect of the year ended 31 July 2024, 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's website.

Major incidents during the year

In response to the conflict in the Middle East, a pro-Palestinian protest encampment was established by students on Union Lawn on 1 May 2024. Over the course of the protest, the University received a number of demands relating to investments, collaborations and partnerships with BDS (Boycott, Divestment, Sanctions) target companies and defence/security firms, academic ties with Israeli universities, and calling for ceasefire in Gaza. These

were discussed on several occasions with representatives of the encampment. The protest group organised a series of rallies. Whilst the University recognised the right of students and colleagues to protest within the law, the establishment of an encampment on the city campus attracted individuals with no connection to the University and gave rise to health and safety concerns, disruption to students and colleagues and some damage to University property. The encampment was an unauthorised and unlawful use of the University's private land for which the University did not give permission. The implications of the protest encampment were monitored by the Emergency Management Team and other senior academic and professional service colleagues reporting to Executive Board and Council. The encampment dispersed voluntarily on 21 July 2024 and the University has evaluated the lessons learned from the period of the encampment's presence, encompassing communication strategy, wellbeing, health and safety, security, legal and governance.

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.

The University notified the OfS of one reportable event in February 2024, relating to the appointment of Pat Ritchie as the next Chair of Council from 1 August 2024. .

Governance

Remuneration report

Our annual Remuneration report provides an overview of our approach to senior staff remuneration at Newcastle University. It is written to comply with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code and the Office for Students' Accounts Direction.

Remuneration Committee is a committee of Council, the University's governing body. It is responsible for determining and reviewing the salaries, terms and conditions, and any severance payments, for senior members of staff of the University. Information about Remuneration Committee and its work is published on the University's website and the Committee's full terms of reference are available at: <https://www.ncl.ac.uk/media/wwwnclacuk/howeare/files/Remuneration-Committee-Terms-of-Reference.pdf>

Remuneration Committee met in January and July 2024. The topics of discussion were:

- the Vice-Chancellor and President's performance in 2023–2024 and his remuneration and areas of focus for 2024–25
- the performance of other members of the senior executive team in 2023–24 and their remuneration and areas of focus for 2024–25
- the outcomes of annual reviews of Professorial and Grade IB Professional Services staff
- reports and actions plans on gender and ethnicity pay gaps
- recommendations for salaries that result in remuneration exceeding £120,000 per year
- committee effectiveness, terms of reference and membership, and alignment with the Higher Education Senior Staff Remuneration Code.

Unaudited information (pages 66–69)

Remuneration Committee

Remuneration Committee membership was unchanged from the previous financial year.

Remuneration Committee membership 2023–24

Ex officio members

Paul Walker (Chair of Council)

Angela Russell (Honorary Treasurer)

Lay members

Claire Morgan (Chair)

Pat Richie

Nitin Shukla

Jacqueline Scott, Executive 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.

Approaches to remuneration

The overarching policy that guides the review and remuneration of senior members of staff is the Senior Remuneration Policy and the following factors are taken into account when considering the recruitment, retention and pay progression:

Recruitment considerations

- the ability to attract and appoint candidates at an appropriate level
- evidence of the candidate's past and current record of achievement in strategically relevant areas contributing to the success of the University
- evidence of staff and strategic leadership in relevant areas
- current earnings
- benchmark data on salary levels for similar roles internally and at comparable institutions
- for senior clinical roles, existing pay and conditions under the NHS, including Clinical Excellence Awards and Additional Programmed Activities.

Retention considerations

- an assessment, supported with evidence, of the impact that would result from the colleague leaving the University and why it would be difficult to replace them with someone of similar standing and expertise
- exceptional contributions made by the colleague in furtherance of the University's strategic aims
- impact on organisational performance, leadership and external relations

- evidence from an offer of alternative employment
- benchmark data on salary levels for similar roles internally and at comparable institutions

Pay review considerations

- delivery of agreed objectives
- impact on organisational performance, leadership and external relations
- the contribution made by the colleague in furtherance of the University's strategic aims
- benchmark data on salary levels for similar roles internally and at comparable institutions.

Remuneration Committee draws data from the following sources to support remuneration decisions for senior members of staff:

- the Universities and Colleges Employer Association's Senior Staff Remuneration Survey to benchmark pay with institutions which are similar in terms of their mission, size and location
- the Korn Ferry Hay Russell Group Professorial and Professional Pay Survey, comprising a data set of over 15,200 professors, 13,000 readers and over 1,500 senior managers from across the 24 universities
- the Committee of University Chairs' Vice-Chancellor Salary Survey to benchmark pay with institutions which are similar in terms of their mission, size and location
- internal analysis of salary distributions and equality impact assessments across professorial and Grade IB Professional Services staff

Overall colleague costs

The table shows the growth in total colleague costs over the past three years (costs exclude agency staff but include employer pension contributions).

Overall colleague costs

Data	Underlying staff costs £m	Total underlying income £m	Underlying staff costs as % of income
2021–22	325.2	558.6	58.2%
2022–23	345.7	608.3	56.8%
2023–24	362.0	634.6	57.0%

Gender pay gap

We are in our seventh 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.

This year has seen a 3.2% decrease in our mean gender pay gap to 15.1%. The median pay gap continues to decrease, reducing by a further 1.8% to 12.4%. Our overall gender distribution is 56% female and 44% male (unchanged from 2022). There has been movement in all four quartiles from 2022 to 2023, the largest change being a 2% change in the upper middle quartile. The female population has increased in the top half of the organisation (upper quartile and upper middle) while the male population has increased in the bottom half of the organisation (lower middle and lower quartile). This population shift will be a major factor in the median and mean pay gaps reducing from 2022 to 2023.

Gender bonus gap

Clinical excellence payments are not a University determined payment. When including clinical excellence payments, the median bonus gap has gone from 122.2% in favour of females in 2022 to no gap. The mean has increased from 51.5% in favour of males in 2022 to 63.2%. The median value for both males and females is £100, resulting in a median of 0.0%. The mean figure is driven by more males receiving large bonus payments through clinical excellence awards.

When excluding clinical excellence payments, the median bonus gap is unchanged at 0.0%. The mean bonus gap is 2.5% in favour of males (from 38.7% in favour of females in 2022). With 40 males and 9 females taken out of the calculations, as they received clinical excellence payments, the mean shifts heavily from 63.2% in favour of males to 2.5%.

The proportion of males receiving a bonus when including clinical excellence payments is 15%, this falls to 13% when excluding clinical excellence payments, a drop of 2%. In contrast, the proportion of females receiving a bonus is 11% when including and 10% when excluding, a drop of 1%.

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.

When including clinical excellence payments, the median pay gap is 2.9% in favour of minoritised ethnic colleagues, and the mean pay gap is 0.3% in favour of white colleagues. When excluding the clinical excellence payments, the median remains unchanged, however the mean slightly decreases to 0.1%.

When including clinical excellence payments, the median pay gap is 8.3% and the mean pay gap is 9.8% in favour of non-disabled colleagues. When excluding the clinical excellence payments, the median remains unchanged, however the mean slightly reduces to 9.2%.

Next steps for addressing pay gaps

The progress that has been made to address our pay gaps over the last 12 months is

reflected in our pay gap report and reflects the actions implemented during the period. These include: publication of revised Starting Salary Guidance created to address any pay disparities across similar roles and responsibilities; a review and revised approach to Job Evaluation Panels ensuring appropriate governance and consistency in job grading activity; simplification of pay review processes to ensure transparency and inclusion; introduction of attraction and retention guidance to ensure internal relativities are observed and that we can remain competitive with the external market.

We continuously review all our policies to ensure they remain supportive of our recruitment and retention of a diverse workforce, as we know that in some cases pay gaps exist due to the composition of the workforce and the imbalance of gender and other protective characteristics can impact the pay gap position adversely. We also ensure our recruitment and reward policies and practices are aligned to the University strategy and support the actions detailed in our Athena Swan and REC Action Plans. All these actions will support our work towards further reducing our pay gaps, create a more inclusive workplace for all colleagues and continue our work to being recognised as an employer of choice.

Audited information (pages 69–71)

Remuneration for the Vice-Chancellor and President

Remuneration Committee agreed that Professor Day, as with all colleagues, receive a salary increase in August 2023 in line with the UCEA JNCHES National Pay Bargaining decision of 5% cost of living increase. The first part of the implementation of this pay award was applied in February 2023 (2%) with the remainder to apply in August 2023.

The combined effect of these uplifts was to increase Professor Day's basic salary to £354,718, as of 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 Vice-Chancellor and President's basic salary is 9.3 times the median basic salary of colleagues (2022–23: 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 9.1 times the median total remuneration of colleagues (2022–23: 9.2) where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its colleagues.

Remuneration for the Vice-Chancellor and President	2023–24	2022–23
	£'000	£'000
Salary	354.7	341.2
Allowance in lieu of pension contributions	42.9	41.6
Benefits in kind	–	–
Total remuneration	397.6	382.8
Employer pension contributions	9.3	21.5
Total staff costs	407.0	404.3

Remuneration of other members of Executive Board

Executive Board is responsible for the leadership of the University having authority and responsibility for planning, directing, and controlling the activities of the University. The Vice-Chancellor and President has overall responsibility for members of the Executive Board. Details of membership can be found in this section.

Members of Executive Board have access to the same employer pension schemes as other employees. By contrast, they do not receive national cost of living increases agreed through the Joint Negotiating Committee for Higher Education Staff and are considered instead by Remuneration Committee for any pay uplifts based on their performance and on benchmark data on salary levels for similar roles internally and at comparable institutions. With effect from February 2023, Remuneration Committee agreed an overall uplift to Executive Board salaries of 5%, in line with the UCEA JNCHES National Pay Bargaining decision for 2023–24.

The first part of this (2%) was applied in February 2023 with the remainder applied 1 August 2023.

The combined emoluments of members of the Executive Board in 2023–24, including the Vice-Chancellor and President, were as follows.

Remuneration of other members of Executive Board	2023–24	2022–23
	£m	£m
Key management personnel compensation: Salary and benefits (including employer's pension contributions)	2.9	3.0

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). This year we paid a total of £5.7m to 278 colleagues of which £4.4m was in respect of the VSS scheme (150 colleagues). This compares to £0.6m paid in 2022–23 to 133 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, as follows:

Salary Band	Clinical	Non-Clinical	2023-24 Total	2022-23 Total
£100,000–£104,999	8	15	23	31
£105,000–£109,999	8	16	24	28
£110,000–£114,999	16	21	37	34
£115,000–£119,999	14	17	31	8
£120,000–£124,999	12	1	13	28
£125,000–£129,999	26	3	29	14
£130,000–£134,999	5	5	10	11
£135,000–£139,999	7	3	10	6
£140,000–£144,999	9	1	10	5
£145,000–£149,999	4	4	8	11
£150,000–£154,999	2	4	6	13
£155,000–£159,999	8	2	10	6
£160,000–£164,999	8	4	12	5
£165,000–£169,999	8	-	8	1
£170,000–£174,999	3	1	4	3
£175,000–£179,999	-	1	1	2
£180,000–£184,999	2	1	3	2
£185,000–£189,999	-	-	-	2
£190,000–£194,999	1	1	2	-
£195,000–£199,999	1	-	1	-
£200,000–£204,999	1	2	3	1
VC £340,000–£344,999	-	-	-	1
VC £350,000–£354,999	1	-	1	-
	144	102	246	212

Financial Statements

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 2024 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, 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 2024 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 2026.2.

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

Other information

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

As explained more fully in the Statement of Council Responsibilities set out on page 44, 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 are responsible for assessing the group's and the parent institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the 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 understanding the oversight of those charged with governance (i.e. considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage earnings), the culture of honesty and ethical behaviour and whether a strong emphasis is placed on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by enquiring of management, Audit, Risk and Assurance Committee and internal audit concerning actual and potential risks and the processes for identifying these.
- 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 (recognition of tuition fee and other income in the incorrect financial year and recognition of research income throughout the year and in line with performance conditions) and management override of controls.

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 inquiries of management and those charged with governance about risks of fraud and the controls put in place to address those risks, procedures to gain an understanding of the processes and controls to record and manage different income streams and reviewed the appropriateness of revenue recognition accounting policies and tested that they were applied appropriately.
- In addressing the specific risk of improper recognition of revenue through recognition of tuition fee and other income in the incorrect financial year, we used data analytics to analyse full populations of tuition fee and residency income streams through correlation of income to accounts receivable and subsequent receipt of cash, tested revenue cut-off of all income streams at the balance sheet date, confirmed that capital grant income satisfies recognition criteria tests, assessed and challenged manual adjustments and journal entries by management around the year end for evidence of management bias and evaluation of business rationale and supporting evidence.
- In addressing the specific risk of improper recognition of revenue: recognition of research income throughout the year and in line with performance conditions, we tested research income accounting estimates relating to any income accrued or deferred at the balance sheet date for evidence of management bias and developed a testing strategy for research income in year, which included procedures to assess any performance related conditions or other events upon which recognition of income was dependent.

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

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 Office for Students accounts direction. 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 the 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
London

January 2025

Financial Statements

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 OfS, the terms and conditions of funding for higher education institutions issued by the OfS 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 2024, the Group held cash, cash equivalents and short-term deposits of £189.7m with robust measures in place to monitor and manage cash balances. Borrowings, which are all unsecured, were £90.8m (Note 19) and lease obligations were £22.7m (Note 27). We complied with all covenant requirements for existing borrowing and compliance with measures required by OfS at 31 July 2024. Subsequent to the year end, the University held cash, cash equivalents and short-term deposits of £261.8m at 31 October 2024 and no further borrowing had been put in place. In addition, the University has in place 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.

Council has reviewed revised financial forecasts, including revised and prudent financial plans for future student recruitment, as well as the strategies, plans and processes in place to deliver cost efficiencies and 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 2026, 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 2026.

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

- further international student recruitment downside;
- staff costs base saving downside; and
- non-pay cost base saving downside.

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 2024. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated.

Normal trading transactions that are not settled by the year-end date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

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

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

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

5. Income recognition

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

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

Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

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

Grant funding

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

Donations and endowments

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

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

- restricted donations – the donor has specified that the donation must be used for a particular objective
- unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University
- restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital
- restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Donations of tangible assets are included within income. Paragraph PBE34.73(b) of FRS 102 requires income from donations of tangible assets to be measured at the fair value of the tangible asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Income from expendable endowments is recognised to the extent of the related expenditure during the year. Permanent endowments are managed on a total return basis. The entire investment return is included in the Statement of Comprehensive Income to the extent of the related expenditure during the year.

Capital grants

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

6. Accounting for retirement benefits

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

A small number of colleagues remain in other pension schemes.

USS is a multi-employer scheme. 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. Where there is an overall scheme deficit and the University enters into an agreement that determines how each employer within the scheme will fund the 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	project life (generally projects 3 years)
Leases equipment	period of lease

Depreciation methods, useful lives and residual values are reviewed at each year end. Fully written down assets are reviewed and removed from the fixed asset register where no longer in use.

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. 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 here 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 for 2023–24 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, resulting

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 therefore would recognise a provision for the discounted fair value of the contractual contributions under a recovery plan in existence at the year-end date. As the fund is in surplus no liability exists at the balance sheet date.

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 change of use, capital plans or increased cost of development, such as is the case for the University's development sites, a calculation of the recoverable amount is undertaken and where required an impairment booked. The reduction in asset value of £2.6m is recognised as impairment against land.

Financial Statements

Consolidated and University Statement of Comprehensive Income for the year ended 31 July 2024

	Note	CONSOLIDATED		UNIVERSITY	
		2024 £m	2023 £m	2024 £m	2023 £m
INCOME					
Tuition fees and education contracts	2	322.4	302.3	307.4	286.2
Funding body grants	3	88.7	89.9	88.7	89.9
Research grants and contracts	4	126.1	119.3	126.1	119.3
Other income	5	80.3	79.7	80.2	80.0
Investment income	6	9.7	6.1	9.8	6.0
Donations and endowments	7	7.6	11.0	7.6	11.0
Total income		<u>634.8</u>	<u>608.3</u>	<u>619.8</u>	<u>592.4</u>
EXPENDITURE					
Staff costs before USS pension and RBP curtailment adjustments	8	365.2	347.0	356.8	339.3
Movement in USS pension liability	8	(151.0)	(31.2)	(151.0)	(31.2)
Total staff costs		<u>214.2</u>	<u>315.8</u>	<u>205.8</u>	<u>308.1</u>
Other operating expenses	9	235.7	214.4	228.3	209.9
Depreciation	13	34.7	33.5	34.1	32.5
Interest and other finance costs	10	8.7	9.6	6.8	7.5
Total expenditure	11	<u>493.3</u>	<u>573.3</u>	<u>475.0</u>	<u>558.0</u>
Surplus before other gains/(losses) and share of deficit of joint ventures and associate		141.5	35.0	144.8	34.4
(Loss)/gain on revaluation of investments	14	(0.5)	1.9	–	–
Loss on impairment of non-current assets	13	(2.4)	(3.7)	(2.4)	–
Gain on investments	21	11.4	2.3	11.3	2.3
Share of surplus/(deficit) in joint ventures	15	0.6	(4.4)	–	–
Share of deficit in associate	16	–	(0.3)	–	–
Surplus before tax		<u>150.6</u>	<u>30.8</u>	<u>153.7</u>	<u>36.7</u>
Taxation	12	(0.1)	(0.4)	–	(0.1)
Surplus for the year		<u>150.5</u>	<u>30.4</u>	<u>153.7</u>	<u>36.6</u>
OTHER COMPREHENSIVE INCOME					
Actuarial loss in respect of pension scheme	29	(1.5)	(35.9)	(1.5)	(35.9)
Total comprehensive income/(expenditure) for the year		<u>149.0</u>	<u>(5.5)</u>	<u>152.2</u>	<u>0.7</u>
Represented by:					
Endowment comprehensive income/(expenditure) for the year	21	7.7	(0.5)	7.7	(0.5)
Restricted comprehensive income for the year	22	0.1	0.2	0.1	0.2
Unrestricted comprehensive income/(expenditure) for the year		<u>141.2</u>	<u>(5.2)</u>	<u>144.4</u>	<u>1.0</u>
Attributable to the University		<u>149.0</u>	<u>(5.5)</u>	<u>152.2</u>	<u>0.7</u>

All items of income and expenditure arise from continuing operations.

Financial Statements

Consolidated and University Statement of Changes in Reserves for the year ended 31 July 2024

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 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 income for the year	(0.5)	0.2	(5.2)	(5.5)	–	(5.5)
Balance at 1 August 2023	87.1	1.2	366.8	455.1	0.1	455.2
Surplus for the year	12.1	2.7	135.7	150.5	–	150.5
Other comprehensive income	–	–	(1.5)	(1.5)	–	(1.5)
Release of endowment and restricted funds spent	(4.4)	(2.6)	7.0	–	–	–
Total comprehensive income for the year	7.7	0.1	141.2	149.0	–	149.0
Balance at 31 July 2024	94.8	1.3	508.0	604.1	0.1	604.2

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 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 for the year	(0.5)	0.2	1.0	0.7	–	0.7
Balance at 1 August 2023	87.1	1.2	386.6	474.9	–	474.9
Surplus for the year	12.1	2.7	139.0	153.8	–	153.8
Other comprehensive income	–	–	(1.5)	(1.5)	–	(1.5)
Release of endowment and restricted funds spent	(4.4)	(2.6)	7.0	–	–	–
Total comprehensive income for the year	7.7	0.1	144.4	152.2	–	152.2
Balance at 31 July 2024	94.8	1.3	531.1	627.2	–	627.2

Financial Statements

Consolidated and University Statement of Financial Position as at 31 July 2024

	Note	CONSOLIDATED		UNIVERSITY	
		2024 £m	2023 £m	2024 £m	2023 £m
NON-CURRENT ASSETS					
Tangible assets	13	627.1	619.1	616.1	607.4
Investments	14	100.6	92.2	102.5	94.0
Investment in joint ventures	15	0.3	0.3	–	–
Investment in associate	16	–	–	–	–
		<u>728.0</u>	<u>711.6</u>	<u>718.6</u>	<u>701.4</u>
CURRENT ASSETS					
Stocks in hand		1.3	1.4	1.3	1.4
Trade and other receivables	17	58.7	60.1	76.1	74.1
Short-term liquid deposits		147.1	44.5	147.1	44.5
Cash and cash equivalents	23	42.6	173.2	30.8	161.6
		<u>249.7</u>	<u>279.2</u>	<u>255.3</u>	<u>281.6</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	18	(203.0)	(213.4)	(196.8)	(207.1)
NET CURRENT ASSETS					
		<u>46.7</u>	<u>65.8</u>	<u>58.5</u>	<u>74.5</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		774.7	777.4	777.1	775.9
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	19	(131.9)	(137.4)	(111.3)	(116.2)
PENSION PROVISIONS					
	20	(38.6)	(184.8)	(38.6)	(184.8)
TOTAL NET ASSETS					
		<u>604.2</u>	<u>455.2</u>	<u>627.2</u>	<u>474.9</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	87.4	80.0	87.4	80.0
Income and expenditure reserve – restricted reserve	22	1.3	1.2	1.3	1.2
UNRESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	7.4	7.1	7.4	7.1
Income and expenditure reserve – unrestricted reserve		508.0	366.8	531.1	386.6
		<u>604.1</u>	<u>455.1</u>	<u>627.2</u>	<u>474.9</u>
NON-CONTROLLING INTEREST					
		0.1	0.1	–	–
TOTAL RESERVES					
		<u>604.2</u>	<u>455.2</u>	<u>627.2</u>	<u>474.9</u>

The accompanying statement of principal accounting policies and Notes 1 to 32 form part of these financial statements. The financial statements were approved by Council on 28 January 2025 and signed on its behalf by:



C P Day
Vice-Chancellor and President



A M Russell
Treasurer



N M Collins
Chief Financial Officer

Financial Statements

Consolidated Cash Flow Statement for the year ended 31 July 2024

	Note	2024 £m	2023 £m
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus before taxation		150.6	30.8
Taxation		(0.1)	(0.4)
		<hr/>	<hr/>
Surplus after taxation		150.5	30.4
Adjustment for non-cash items			
Depreciation	13	34.7	33.5
Gain on investments	21	(10.8)	(4.2)
Decrease/(increase) in stock		0.1	(0.1)
Decrease/(increase) in debtors		4.0	0.7
(Decrease)/increase in creditors		(13.8)	7.4
Decrease in pension provision		(147.7)	(24.1)
Share of (surplus)/deficit in joint ventures	15	(0.6)	4.4
Share of deficit in associate	16	–	0.3
Adjustment for investing or financing activities			
Investment income	6	(9.7)	(6.0)
Interest payable		3.6	3.8
Endowment income	21	–	(1.2)
Impairment of non-current assets		2.4	3.7
Capital grant income		(8.8)	(5.3)
		<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES		3.5	43.3
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grants receipts		8.8	5.3
Proceeds from sale of endowment investments		2.8	69.6
Payments made to acquire endowment investments		–	(67.7)
Investment income		9.9	5.1
Payments made to acquire tangible assets		(45.3)	(47.7)
New investment in joint ventures and associate		–	(0.1)
(Increase)/decrease in short-term liquid deposits		(102.7)	27.7
		<hr/>	<hr/>
		(126.3)	(7.8)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	10	(1.7)	(1.7)
Interest element of finance lease		(1.8)	(2.0)
Endowment cash received	21	–	1.2
Repayments of unsecured loans		–	(1.6)
Repayments of amounts borrowed		(4.1)	(4.0)
Capital element of finance lease		(0.3)	(0.1)
		<hr/>	<hr/>
		(7.9)	(8.2)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR			
		<hr/>	<hr/>
		(130.6)	27.3
Cash and cash equivalents at beginning of the year	23	173.2	145.9
Cash and cash equivalents at end of the year	23	42.6	173.2

Notes to the Financial Statements

1 SOURCE OF GRANT AND FEE INCOME

The source of grant and fee income, included in Notes 2 to 3, is as follows:

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Grant income from the Office for Students	29.7	29.7	29.7	29.7
Grant income from other bodies	59.1	60.3	59.1	60.3
Fee income for taught awards	281.5	282.6	266.5	266.5
Fee income for research awards	32.2	13.2	32.2	13.2
Fee income from non-qualifying courses	8.6	6.4	8.6	6.4
	<u>411.1</u>	<u>392.2</u>	<u>396.1</u>	<u>376.1</u>

2 TUITION FEES AND EDUCATION CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Full-time students	171.2	169.9	171.2	169.9
Full-time students charged overseas fees, UK taught	124.9	106.8	124.9	106.8
Full-time students charged overseas fees, overseas taught	14.9	16.1	–	–
Part-time fees	2.8	3.1	2.8	3.1
Research training support grants	4.7	3.5	4.7	3.5
Short courses	3.9	2.9	3.8	2.9
	<u>322.4</u>	<u>302.3</u>	<u>307.4</u>	<u>286.2</u>

3 FUNDING BODY GRANTS

	CONSOLIDATED AND UNIVERSITY	
	2024	2023
	£m	£m
Recurrent grant	71.3	72.7
Specific grants	10.5	10.4
Capital Investment Framework (CIF) grants	6.9	6.8
	<u>88.7</u>	<u>89.9</u>

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

4 RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED AND UNIVERSITY	
	2024	2023
	£m	£m
Research councils	43.2	37.2
UK charities	27.2	26.7
UK government	33.1	30.4
European Commission	5.3	8.3
Other grants and contracts	17.3	16.7
	<u>126.1</u>	<u>119.3</u>

Notes to the Financial Statements *(continued)*

5 OTHER INCOME	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Residences, catering and conferences	22.9	22.1	22.9	22.1
Other services rendered	23.4	25.5	23.4	25.4
Health authorities	10.0	9.5	10.0	9.5
Other capital grants	0.1	–	–	–
Other income	23.9	22.6	23.1	22.1
Income from subsidiary companies	–	–	0.8	0.9
	<u>80.3</u>	<u>79.7</u>	<u>80.2</u>	<u>80.0</u>

6 INVESTMENT INCOME	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Investment income on endowments (Note 21)	0.7	0.7	0.7	0.7
Other investment income	9.0	5.3	9.1	5.2
Net return on pension scheme (Note 29)	–	0.1	–	0.1
	<u>9.7</u>	<u>6.1</u>	<u>9.8</u>	<u>6.0</u>

7 DONATIONS AND ENDOWMENTS	CONSOLIDATED AND UNIVERSITY	
	2024	2023
	£m	£m
New endowments net of transfers out from expendable endowments (Note 21)	–	1.2
Donations with restrictions	7.6	9.8
	<u>7.6</u>	<u>11.0</u>

8 STAFF	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Staff costs				
Salaries	276.5	252.1	269.0	244.6
Social security costs	29.4	26.4	28.5	26.2
Other pension costs (Note 29)	61.1	67.1	61.1	67.1
RBP pension service cost adjustment (Note 20)	(1.8)	1.4	(1.8)	1.4
Total before USS pension and RBP plan curtailment adjustments	<u>365.2</u>	<u>347.0</u>	<u>356.8</u>	<u>339.3</u>
RBP pension curtailment credit (Note 29)	–	–	–	–
(Credit)/charge to staff costs as a result of USS pension provision (Note 20)	(151.0)	(31.2)	(151.0)	(31.2)
	<u>214.2</u>	<u>315.8</u>	<u>205.8</u>	<u>308.1</u>

We paid a total of £5.7m to 278 colleagues in respect of loss of office (2022-23 £0.6m to 133 colleagues). Further audited information and disclosures as required by the OfS Accounts direction are included in the Remuneration Report on pages 65–71.

Staff numbers	2024	2023
	Average FTEs	Average FTEs
Academic	1,855	1,805
Support	3,353	3,281
Research	934	941
	<u>6,142</u>	<u>6,027</u>

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

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Professional fees and bought-in services	63.2	56.7	59.9	55.7
Staff-related expenditure	27.3	24.7	26.6	24.1
Student scholarships, bursaries and prizes	27.6	28.9	27.5	28.7
Consumables and laboratory expenditure	21.8	18.7	21.5	18.3
Non-capitalised equipment purchases and maintenance	17.5	23.8	17.1	23.9
Operating lease rentals – land and buildings	6.7	7.3	6.6	7.1
Rents, rates and insurance	5.6	4.2	4.8	3.2
Heat, light, water and power	19.4	15.3	19.1	15.0
Building maintenance	14.7	11.0	14.6	10.7
Books and periodicals	7.4	7.1	7.3	7.1
NHS and agency staff	6.6	5.9	6.6	5.9
Communications, advertising and publicity	3.4	3.3	3.1	2.6
Students' Union annual subvention	3.6	2.6	3.6	2.6
Other expenditure	10.9	4.9	9.9	5.0
	<u>235.7</u>	<u>214.4</u>	<u>228.2</u>	<u>209.9</u>

Professional fees and bought-in services include auditor's remuneration in respect of audit services for the Group of £313,667 to Ernst & Young LLP (2023 restated: £381,545) and for the University of £264,070 (2023 restated: £328,608) as well as £53,460 (2023 restated: £57,000) for the Group to Azets Audit Services. Non-audit services provided by Ernst & Young LLP amounted to £16,700 (2023 restated: £120,888) for the Group and University and non-audit services provided by Azets Audit Services amounted to £2,556 (2023: £2,630) for the Group and University.

10 INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Loan interest	1.7	1.7	1.7	1.7
Finance lease interest	1.9	2.1	–	–
Net charge on pension schemes (Note 29)	5.1	5.8	5.1	5.8
	<u>8.7</u>	<u>9.6</u>	<u>6.8</u>	<u>7.5</u>

Notes to the Financial Statements *(continued)***11 ANALYSIS OF EXPENDITURE BY ACTIVITY**

	CONSOLIDATED				2024 Total £m	2023 Total £m
	Staff Costs £m	Other Operating Expenses £m	Depreciation £m	Interest and Other Finance Costs £m		
Academic schools	199.6	46.8	3.4	–	249.8	238.3
Academic services	36.6	32.2	0.3	–	69.1	70.3
Administration and central services	43.4	58.5	–	–	101.9	96.5
Premises	12.9	46.9	20.4	1.9	82.1	71.8
Residences, catering and conferences	5.0	9.8	3.9	–	18.7	16.6
Research grants and contracts	58.7	38.4	–	–	97.1	96.0
Other expenditure	(142.0)	3.1	6.7	6.8	(125.4)	(16.2)
Total	214.2	235.7	34.7	8.7	493.3	573.3

Administration and central services and research grants and contracts include £26.7m (2023: £26.7m) and £2.1m (2023: £2.1m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards. Other expenditure is negative due to the release of the USS pension provision, see note 20.

UNIVERSITY

	UNIVERSITY				2024 Total £m	2023 Total £m
	Staff Costs £m	Other Operating Expenses £m	Depreciation £m	Interest and Other Finance Costs £m		
Academic schools	191.4	40.8	2.8	–	235.0	225.4
Academic services	36.6	32.2	0.3	–	69.1	70.2
Administration and central services	43.4	58.5	–	–	101.9	96.5
Premises	12.9	45.6	20.3	–	78.8	69.6
Residences, catering and conferences	5.0	9.8	3.9	–	18.7	16.6
Research grants and contracts	58.7	38.4	–	–	97.1	96.0
Other expenditure	(142.2)	3.0	6.8	6.8	(125.6)	(16.3)
Total	205.8	228.3	34.1	6.8	475.0	558.0

Administration and central services and research grants and contracts include £26.7m (2023: £26.7m) and £2.1m (2023: £2.1m) respectively in respect of payments made for bursaries, prizes, scholarships or other similar awards. Other expenditure is negative due to the release of the USS pension provision, see note 20.

12 TAXATION

	CONSOLIDATED		UNIVERSITY	
	2024 £m	2023 £m	2024 £m	2023 £m
Malaysian corporation tax at 24%	0.1	0.3	–	–
Malaysian withholding tax at 8%	0.1	0.1	0.1	0.1
	0.1	0.4	0.1	0.1

Notes to the Financial Statements *(continued)*

13 TANGIBLE ASSETS

CONSOLIDATED

	Land and Buildings			Assets under Construction £m	Equipment £m	Total £m
	Freehold £m	Leasehold Long £m	Short £m			
Cost						
Balance at 1 August 2023	653.6	159.1	21.5	57.9	84.9	977.0
Additions	–	–	–	33.2	12.1	45.3
Foreign exchange retranslation	–	(0.2)	–	–	–	(0.2)
Reversal of disposal adjustment	–	–	–	–	10.0	10.0
Balance at 31 July 2024	<u>653.6</u>	<u>158.9</u>	<u>21.5</u>	<u>91.1</u>	<u>107.0</u>	<u>1,032.1</u>
Depreciation						
Balance at 1 August 2023	179.9	91.8	14.5	–	71.7	357.9
Charge for year	20.0	3.9	0.7	–	10.1	34.7
Reversal of disposal adjustment	–	–	–	–	10.0	10.0
Impairment	2.4	–	–	–	–	2.4
Balance at 31 July 2024	<u>202.3</u>	<u>95.7</u>	<u>15.2</u>	<u>–</u>	<u>91.8</u>	<u>405.0</u>
Net Book Value						
At 31 July 2024	<u>451.3</u>	<u>63.2</u>	<u>6.3</u>	<u>91.1</u>	<u>15.2</u>	<u>627.1</u>
At 1 August 2023	<u>473.7</u>	<u>67.3</u>	<u>7.0</u>	<u>57.9</u>	<u>13.2</u>	<u>619.1</u>

At 31 July 2024, freehold land and buildings included £77.4m (2023: £79.4m) in respect of freehold land which is not depreciated. The net book value of assets held under finance leases at 31 July 2024 is £13.2m (2023: £14.1m) and the related depreciation charge for the year was £0.7m (2023: £0.7m).

UNIVERSITY

	Land and Buildings			Assets under Construction £m	Equipment £m	Total £m
	Freehold £m	Leasehold Long £m	Short £m			
Cost						
Balance at 1 August 2023	652.5	137.3	19.4	57.8	83.0	950.0
Additions	–	–	–	33.2	12.0	45.2
Reversal of disposal adjustment	–	–	–	–	10.0	10.0
Balance at 31 July 2024	<u>652.5</u>	<u>137.3</u>	<u>19.4</u>	<u>91.0</u>	<u>105.0</u>	<u>1,005.2</u>
Depreciation						
Balance at 1 August 2023	176.2	84.1	12.9	–	69.4	342.6
Charge for year	20.0	3.3	0.7	–	10.1	34.1
Impairment	2.4	–	–	–	–	2.4
Reversal of disposal adjustment	–	–	–	–	10.0	10.0
Balance at 31 July 2024	<u>198.6</u>	<u>87.4</u>	<u>13.6</u>	<u>–</u>	<u>89.5</u>	<u>389.1</u>
Net Book Value						
At 31 July 2024	<u>453.9</u>	<u>49.9</u>	<u>5.8</u>	<u>91.0</u>	<u>15.5</u>	<u>616.1</u>
At 1 August 2023	<u>476.3</u>	<u>53.2</u>	<u>6.5</u>	<u>57.8</u>	<u>13.6</u>	<u>607.4</u>

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.

During the year, the University undertook a review of fully written down assets leading to an adjustment to the disposal amount recognised in the prior period for the Group and University. The net impact being a reversal of last year's disposals to a value of £10m.

Notes to the Financial Statements *(continued)***14 NON-CURRENT INVESTMENTS**

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Shares in subsidiary undertakings at cost less amounts written off				
As at 31 August and 31 July	—	—	3.7	3.7
Other investments other than loans at cost				
At 1 August	2.2	0.3	0.3	0.3
(Loss)/gain on revaluation of investments	(0.5)	1.9	—	—
Other movements in year	0.4	—	—	—
At 31 July	2.1	2.2	0.3	0.3
Equities and non-equity investments relating to endowments	98.5	90.0	98.5	90.0
Total fixed asset investments	100.6	92.2	102.5	94.0

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. Bnd	Malaysia	0	A company providing of 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 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.
NUINTO Limited	England and Wales	51	Provides the teaching of English language skills.
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:
Suite 1301, 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

Newcastle NE1 Limited

Other investments other than loans

	Voting Rights %	CONSOLIDATED		UNIVERSITY	
		2024 £m	2023 £m	2024 £m	2023 £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.

Notes to the Financial Statements *(continued)*

15 INVESTMENT IN JOINT VENTURES

Company/Registered Office	Holding of Ordinary Shares %	Nature of Business	2024 £m	2023 £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 Helix 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 Helix 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 Helix Developments LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	33	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 upon Tyne.		
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.		
Unite Newcastle GP Limited South Quay, Temple Back, Bristol, United Kingdom BS1 6FL	50	A company set up as part of the proposed joint venture between the University and Unite Students Limited. The company is currently dormant.		
			2024 £m	2023 £m
Share of operating surplus/(deficit):				
INTO Newcastle University LLP			0.7	0.1
Newcastle Genr8 Kajima LLP			–	(0.1)
Newcastle Helix LLP			–	–
Newcastle Helix Management LLP			–	(4.3)
Newcastle Helix Developments LLP			(0.1)	(0.1)
			<u>0.7</u>	<u>(4.4)</u>
Share of gross assets:				
INTO Newcastle University LLP			8.1	7.7
Newcastle Genr8 Kajima LLP			–	–
Newcastle Helix LLP			2.5	2.5
Newcastle Helix Management LLP			5.6	5.6
Newcastle Helix Developments LLP			0.9	0.8
			<u>17.1</u>	<u>16.6</u>
Share of gross liabilities:				
INTO Newcastle University LLP			(8.0)	(8.4)
Newcastle Genr8 Kajima LLP			(0.1)	(0.1)
Newcastle Helix LLP			(2.4)	(2.4)
Newcastle Helix Management LLP			(5.4)	(5.4)
Newcastle Helix Developments LLP			(0.9)	(0.8)
			<u>(16.8)</u>	<u>(17.1)</u>
Share of net assets/(liabilities):				
INTO Newcastle University LLP			0.1	(0.7)
Newcastle Genr8 Kajima LLP			(0.1)	(0.1)
Newcastle Helix LLP			0.1	0.1
Newcastle Helix Management LLP			0.2	0.2
Newcastle Helix Developments LLP			–	–
			<u>0.3</u>	<u>(0.5)</u>

Notes to the Financial Statements *(continued)***16 INVESTMENT IN ASSOCIATE**

Company/Registered Office	Holding of Ordinary Shares %	Nature of Business	2024 £m	2023 £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)
Share of operating deficit			–	(0.3)
Share of gross assets			2.4	2.4
Share of gross liabilities			(2.4)	(2.4)
Share of net assets			–	–

17 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2024 £m	2023 £m	2024 £m	2023 £m
Research grants receivable	25.0	25.7	25.0	25.7
Other trade receivables	18.3	16.3	19.9	15.8
Amounts owed by subsidiary undertakings	–	–	16.9	16.3
Prepayments and accrued income	13.8	16.1	13.6	15.7
Other debtors	1.6	2.0	0.7	0.6
	<u>58.7</u>	<u>60.1</u>	<u>76.1</u>	<u>74.1</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2024 £m	2023 £m	2024 £m	2023 £m
Obligations under finance leases (Note 27)	2.1	2.1	–	–
Fixed-term, unsecured loans	4.3	4.3	4.3	4.3
Research collaborator creditors	47.0	55.1	47.0	55.1
Other creditors	11.7	7.3	9.3	6.3
Social security and other taxation payable	9.5	13.3	9.4	12.8
Accruals and deferred income	128.4	131.3	126.8	128.6
	<u>203.0</u>	<u>213.4</u>	<u>196.8</u>	<u>207.1</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	
	2024 £m	2023 £m	2024 £m	2023 £m
Research grants received on account	55.6	52.2	55.6	52.2
Tuition fees and education contracts	6.2	0.6	6.2	0.6
Funding body grants	0.8	0.5	0.8	0.5
Other income	11.6	20.3	11.6	20.3
Donations	0.6	0.1	0.6	0.1
	<u>74.8</u>	<u>73.7</u>	<u>74.8</u>	<u>73.7</u>

Notes to the Financial Statements *(continued)*

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Fixed-term, unsecured loans	86.6	90.7	86.6	90.7
Accruals and deferred income	24.7	25.6	24.7	25.5
Obligations under finance leases (Note 27)	20.6	21.1	–	–
	<u>131.9</u>	<u>137.4</u>	<u>111.3</u>	<u>116.2</u>

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2024	2023
		£m	£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	0.2
Fixed-term, unsecured loans repayable within one year (Note 18)		<u>4.3</u>	<u>4.3</u>
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	0.4
Infrastructure and refurbishment loan due after more than five years	1.87	68.0	72.0
Heat Networks Investment Project loan due after more than five years	0.19	2.2	2.3
Fixed-term, unsecured loans repayable after more than one year		<u>86.6</u>	<u>90.7</u>
		<u>90.9</u>	<u>95.0</u>

The University has access to a £75m revolving credit facility with Lloyds Bank. The University has not accessed this facility during the reporting period.

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 2023	147.6	37.2	184.8
Decrease in staff costs	(151.0)	(1.8)	(152.8)
Pension finance interest charge	3.4	1.7	5.1
Actuarial loss	–	1.5	1.5
Obligation at 31 July 2024 (Note 29)	<u>–</u>	<u>38.6</u>	<u>38.6</u>

USS deficit

At 31 July 2023, the institution's balance sheet included a liability of £147.6m for future contributions payable under the deficit recovery agreement following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. The remaining liability of £151.0m was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 29.

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

	Unrestricted permanent	Restricted permanent	Restricted expendable	Restricted Total	2024 Total	2023 Total
	£m	£m	£m	£m	£m	£m
At 1 August						
Capital	2.6	19.7	15.3	35.0	37.6	38.7
Unapplied return	4.3	29.3	15.9	45.2	49.5	48.9
	<u>6.9</u>	<u>49.0</u>	<u>31.2</u>	<u>80.2</u>	<u>87.1</u>	<u>87.6</u>
New endowments	–	–	–	–	–	1.2
Transfer out from expendable endowments	–	(1.8)	1.8	–	–	–
Increase in market value of investments	0.8	6.5	4.1	10.6	11.4	2.3
Income	0.1	0.4	0.2	0.6	0.7	0.7
Expenditure	(0.4)	(2.1)	(1.9)	(4.0)	(4.4)	(4.7)
	<u>0.5</u>	<u>3.0</u>	<u>4.2</u>	<u>7.2</u>	<u>7.7</u>	<u>(0.5)</u>
At 31 July						
Capital	2.6	18.2	16.9	35.1	37.7	37.6
Unapplied return	4.8	33.8	18.5	52.3	57.1	49.5
	<u>7.4</u>	<u>52.0</u>	<u>35.4</u>	<u>87.4</u>	<u>94.8</u>	<u>87.1</u>
Analysis by type of purpose						
Academic – Chairs, Fellowships, Lectureship and Lectures	–	32.1	3.7	35.8	35.8	34.4
Capital	–	–	0.1	0.1	0.1	0.5
Other	7.4	4.2	4.7	8.9	16.3	14.5
PG awards	–	7.5	7.0	14.5	14.5	12.2
UG awards – Scholarships and bursaries	–	3.2	9.4	12.6	12.6	10.6
Research	–	4.7	8.6	13.3	13.3	13.8
Travel awards	–	0.3	1.9	2.2	2.2	1.1
	<u>7.4</u>	<u>52.0</u>	<u>35.4</u>	<u>87.4</u>	<u>94.8</u>	<u>87.1</u>
Analysis by asset						
Equities					82.2	74.0
Non-equity investments					16.2	16.0
Other current balances					(3.6)	(2.9)
					<u>94.8</u>	<u>87.1</u>

22 RESTRICTED RESERVES**CONSOLIDATED AND UNIVERSITY**

	Capital grants and donations	Other grants and donations	2024 Total	2023 Total
	£m	£m	£m	£m
Reserves with restrictions are as follows:				
Balances at 1 August 2023	–	1.2	1.2	1.0
New grants	–	–	–	0.3
New donations	–	2.7	2.7	6.9
Capital grants utilised	–	–	–	(0.7)
Expenditure	–	(2.6)	(2.6)	(6.3)
Total restricted comprehensive income for the year	–	<u>0.1</u>	<u>0.2</u>	<u>0.2</u>
At 31 July 2024	–	<u>1.3</u>	<u>1.3</u>	<u>1.2</u>

Notes to the Financial Statements *(continued)***23 CASH AND CASH EQUIVALENTS**

	CONSOLIDATED		UNIVERSITY	
	2024	2023	2024	2023
	£m	£m	£m	£m
Cash at bank and in hand	42.6	59.5	30.8	47.9
Investments maturing less than three months after placement	–	113.7	–	113.7
	<u>42.6</u>	<u>173.2</u>	<u>30.8</u>	<u>161.6</u>

24 CONSOLIDATED RECONCILIATION OF NET CASH

	At 1 August	Cash	Other	At 31 July
	2023	flows	Changes	2024
	£m	£m	£m	£m
Cash at bank and in hand	173.2	(130.7)	–	42.5
Short-term investments	44.5	102.7	–	147.2
Debt due within one year	(4.1)	4.1	(4.1)	(4.1)
Debt due after one year	(90.7)	–	4.1	(86.6)
Finance leases due within one year	(2.1)	–	–	(2.1)
Finance leases due after one year	(21.1)	0.1	0.4	(20.6)
	<u>99.7</u>	<u>23.9</u>	<u>0.4</u>	<u>76.3</u>

25 CAPITAL COMMITMENTS

	CONSOLIDATED AND UNIVERSITY	
	2024	2023
	£m	£m
Commitments contracted at 31 July	<u>19.0</u>	<u>22.5</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	
	2024	2023
	£m	£m
Amounts due under finance leases:		
Amounts payable:		
Within one year	2.1	2.1
In two to five years	9.2	9.3
In more than five years	31.6	34.5
	<u>42.9</u>	<u>45.9</u>
Less: finance charges allocated to future periods	(20.2)	(22.7)
	<u>22.7</u>	<u>23.2</u>

Annual rentals under operating lease are as follows:

	2023
	£m
Leases expiring:	
In two to five years	0.2
Over five years	6.0
	<u>6.2</u>

Notes to the Financial Statements *(continued)***27 LEASE OBLIGATIONS (continued)**

The total of future minimum lease payments under non-cancellable operating leases is as follows:

	2024	2023
	£m	£m
Lease payable in:		
In one year	5.5	5.4
in two to five years	24.1	23.3
Over five years	108.0	120.2
	<u>(137.6)</u>	<u>148.8</u>

Lease disclosures were historically used to identify the relative value of those leases expiring in each of the separate periods indicated. The disclosure in the prior year reported the average value of the leases per year and not the cumulative liability of leases owned. The second table shows the cumulative minimum value of operating lease payments outstanding at the reporting date as per FRS102 (2022-23 Total £149.0m).

28 ALTERNATIVE PERFORMANCE MEASURES

	Note	CONSOLIDATED	
		2024	2023
Underlying income		£m	£m
Total income		634.7	608.3
Capital grants		(0.1)	–
		<u>634.6</u>	<u>608.3</u>
Underlying staff costs		2024	2023
		£m	£m
Total staff costs		214.2	315.8
Severance costs		(5.7)	(0.6)
Decrease in accrued holiday pay		0.7	0.7
Charge to staff costs as a result of USS pension provision	8	151.0	31.2
RBP pension service cost adjustment	8	3.1	(1.4)
		<u>363.3</u>	<u>345.7</u>
Underlying surplus before tax		2024	2023
		£m	£m
Surplus before tax		150.6	30.8
Severance costs		4.4	–
Loss on investments	21	(11.4)	(2.3)
Charge to staff costs as a result of USS pension provision	29	(151.0)	(31.2)
Share of (surplus)/deficit in joint ventures and associate	15,16	(0.7)	4.7
Loss/(gain) on revaluation of investments	14	0.5	(1.9)
Loss on impairment of non-current assets	13	2.4	3.7
		<u>(5.2)</u>	<u>3.8</u>

Notes to the Financial Statements *(continued)***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 (2022-23: £2.5m).

The total cost of Nest was £0.3m (2022-23: £0.3m).

The total pension cost for the University was:

	2024	2023
	£m	£m
Contributions to USS	49.4	55.7
Contributions to RBP	8.9	8.6
Contributions to other pension schemes	2.8	2.8
Other pensions cost (Note 8)	61.1	67.1
Credit to staff costs as a result of USS pension provision	(151.0)	(31.2)
RBP pension service cost adjustment	(3.1)	(0.2)
Administration costs	1.4	1.6
Pensions costs included in staff costs	(91.6)	37.3
Pension finance interest income (Note 6)	–	(0.1)
Pension finance interest cost (Note 10)	5.1	5.8
Pension cost including pension finance interest	(86.5)	43.0
Actuarial loss relating to the RBP pension scheme	1.5	35.9
Total pension (income)/cost	<u>(85.0)</u>	<u>78.9</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 (2022-23: £10.0m). 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 £6.1m and the expected current service cost is £6.0m.

A full actuarial valuation was carried out as at 31 July 2023 and updated to 31 July 2024 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 July 2024	31 July 2023
Discount rate at year end	5.00%	5.10%
Future salary increases	2.75%	2.80%
RPI inflation	3.10%	3.15%
CPI inflation	2.75%	2.80%
The current life expectancy on retirement at age 65 years are:		
Females currently aged 65 years	22.3	22.1
Males currently aged 65 years	18.9	18.7
Females currently aged 45 years	23.5	23.2
Males currently aged 45 years	19.9	19.6

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 2024 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 109.

The assets in the scheme were:

	Value at 31 July 2024 £m	Asset Allocation %	Value at 31 July 2023 £m	Asset Allocation %
Equities	42.8	19	36.5	17
Bonds/LDI	78.8	36	81.5	39
Property	10.7	5	10.9	5
Alternatives	14.5	7	18.1	8
Multi asset credit	52.3	24	47.9	23
Cash	20.2	9	16.4	8
Fair value of assets	<u>219.3</u>		<u>211.2</u>	
Present value of obligations	<u>(257.9)</u>		<u>(248.4)</u>	
Funded status	<u>38.6</u>		<u>(37.2)</u>	
Net pension liability	<u>(38.6)</u>		<u>(37.2)</u>	

Analysis of the amount shown in the Statement of Financial Position

	2024 £m	2023 £m
Present value of obligations	257.9	248.4
Fair value of plan assets	219.3	211.2
Funded status (Note 20)	<u>(38.6)</u>	<u>(37.2)</u>

Analysis of the amount charged to the Income Statement

	2024 £m	2023 £m
Operating cost		
Current service cost	5.8	8.4
Administration costs	1.4	1.6
Financing cost		
Net interest cost/(income) on net defined benefit liability	1.7	(0.1)
Total operating charge	<u>8.9</u>	<u>9.9</u>

Amounts recognised in Other Comprehensive Income (OCI)

	2024 £m	2023 £m
Asset losses arising during the year	1.3	(95.4)
Liability (losses)/gains arising during the year	(2.8)	48.9
Asset ceiling adjustment (after allowing for interest)	-	10.6
Actuarial loss recognised in OCI	<u>(1.5)</u>	<u>(35.9)</u>

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

Change in defined benefit obligation	2024	2023
	£m	£m
Opening defined benefit obligation	248.4	300.2
Service cost	5.8	8.4
Interest cost	12.4	10.3
Actuarial loss/(gains)	2.8	(48.9)
Contribution by members	0.4	0.4
Benefits paid	(11.9)	(11.5)
Asset ceiling adjustment	–	(10.5)
Closing defined benefit obligation	<u>257.9</u>	<u>248.4</u>
Change in fair value of plan assets	2024	2023
	£m	£m
Opening fair value of plan assets	211.2	300.2
Return/(losses) on assets	1.4	(95.3)
Interest income on plan assets	10.7	10.4
Contributions by employer	8.9	8.6
Contributions by employees	0.4	0.4
Administration costs incurred	(1.4)	(1.6)
Benefits paid	(11.9)	(11.5)
Closing fair value of plan assets	<u>219.3</u>	<u>211.2</u>

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:

Changes in assumption at 31 July 2024	Increase in liabilities	Approximate impact Increase in amount charged to the Income Statement
	£m	£m
0.5% pa decrease in discount rate	21.9	1.7
0.5% pa increase in inflation-linked assumptions	10.8	1.0
One year increase in life expectancy	8.1	0.6

Virgin Media / Section 37 legal ruling

In June 2023, the UK High Court (*Virgin Media Limited v NTL Pension Trustees II Limited*) ruled that certain historical amendments to benefits made after 6 April 1997 for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment was subject to appeal, and the Court of Appeal heard the arguments on 26 and 27 June 2024. The Court ruled that amendments made without the required section 37 confirmation are not valid, potentially impacting Defined Benefits (DB) schemes that were previously contracted-out on a salary-related basis.

The Trustees alongside the University have started looked into the potential impact of Section 37 related matters for the Scheme. It will be difficult to materially quantify any impact at the present time, and we are not currently aware of any negative impact on liabilities, although this may change in the future. The Scheme did have 12 amendments in the relevant time frame (executed between 6 April 1997 and 6 April 2016) and are working with the Scheme lawyers to analyse the nature of the rule change, identify the Section 37 certificates, where relevant, and consider any potential implications. This work should be complete through the course of 2024-25.

Notes to the Financial Statements *(continued)***29 PENSION ARRANGEMENTS (continued)****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 Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

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

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

The key financial assumptions used in the 2023 valuation are described in this section.. More detail is set out in the Statement of Funding Principles (<https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>)

Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rate)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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 2023 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 2021 with a smoothing parameter of 7.5 an initial application of 0.4%pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% for females

The current life expectancies on retirement at age 65 years are:

	2024	2023
Males currently aged 65 years	23.7	24.0
Females currently aged 65 years	25.6	25.6
Males currently aged 45 years	25.4	26.0
Females currently aged 45 years	27.2	27.4

Deficit Recovery Liability

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 20, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account. The total credit released to the profit and loss account is £151.0m (2022–23: £31.2m).

Notes to the Financial Statements *(continued)***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 over which the institution has control, joint control or significant influence	Income from related party		Expenditure to related party		Balance due (to)/from related party	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Alcyomics Limited*	8	–	–	13	3	–
ESP Diagnostics Limited*	1	34	–	4	–	3
Indicatrix Crystallography Limited*	31	29		102	14	14
INEX Microtechnology Limited*	615	525	201	338	103	275
INTO Newcastle University LLP	680	1,028	2,781	3,151	372	6
MarraBio Limited*	4	–	–	–	–	–
Microbritt Limited*	18	6	13	2	12	2
Newcastle Helix Developments LLP (previously called Newcastle Science Central Developments LLP)	–	33	–	–	50	–
Skin Life Analytics Limited*	1	–	17	11		–
TWAM Enterprises Limited*	–	1	54	57	(1)	–
Tyne Pressure Testing Limited*	14	–	–	–	441	441
	<u>1,372</u>	<u>1,656</u>	<u>3,066</u>	<u>3,678</u>	<u>994</u>	<u>741</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.

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.

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

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 in the prior year relates to Arrow accelerator funding match.

Notes to the Financial Statements *(continued)*

30 RELATED PARTY TRANSACTIONS *(continued)*

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 and Dr Michael Hall, is the CEO at Indicatrix. The lead academic is Marzena Kurzawa-Akanbi.

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

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.

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.

MarraBio Limited

MarraBio develops engineered multimeric proteins in limitless quantity at low cost. MarraBio is using its core technology to develop a pipeline of applications which range from cell culture reagents for research purposes, to low-cost growth factors for cultivated meat production, to medicinal products. Income relates to research services and patent fee recharges.

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

Newcastle Helix Developments LLP

Newcastle Helix Developments LLP was created to market plots for the development on the Helix 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.

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.

Income and expenditure relates to research services and patent fee recharges.

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. University representative is Paul Young. The University has provided Tyne Pressure Testing Ltd with a loan of £441,000, in the prior year the loan was impaired.

Notes to the Financial Statements *(continued)*

Organisations and Companies in which members of Council or senior management have an interest	Income from related party		Expenditure to related party		Balance due (to)/from related party	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Heriot Watt University	95	–	–	–	–	–
International Centre for Life	–	–	3,463	3,281	–	–
Medical Research Council	15,719	12,768	131	123	136	–
The Newcastle upon Tyne Hospitals NHS Trust	15,304	15,604	8,988	9,267	2,631	3,144
The Russell Group	–	–	93	87	–	–
	<u>31,118</u>	<u>28,372</u>	<u>12,675</u>	<u>12,758</u>	<u>2,767</u>	<u>3,144</u>

Heriot-Watt University

Heriot-Watt University is a public research university based in Edinburgh. Marta Phillips OBE is a Director of this university. Income received relates to studentships.

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

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 Senior Independent Director for the Trust.

Income and expenditure represents recharges of services provided to and by The Newcastle upon Tyne Hospitals NHS Trust. The balance due to the University at the year end are general working capital balances.

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 2024-25 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		Expenditure to related party		Balance due (to)/from related party	
	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000
Newcastle City Council	151	95	2,136	1,512	(371)	(3)
Newcastle University Students' Union	–	–	3,828	2,836	–	257
	<u>151</u>	<u>95</u>	<u>5,964</u>	<u>4,348</u>	<u>(371)</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.

Income relates to consultancy services and courses provided by the University. Expenditure relates to general expenditure during the normal course of business, such as event expenditure. The balance due to the University at the year end are general working capital balances.

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.

31 ACCESS AND PARTICIPATION

	2024	2023
	£m	£m
Access investment	4.1	4.5
Financial support	8.5	8.1
Disability support (excluding expenditure included in the two categories above)	3.3	3.3
Research and evaluation	0.4	0.5
	<u>16.3</u>	<u>16.4</u>

All of the expenditure is included in the financial statements and other notes. £5.7m of these costs (2022–23: £5.7m) are staff costs included within Note 8.

Our Access and Participation Plan for 2023–24 is available on our website

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

32 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period.

Notes to the Financial Statements *(continued)***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	2024 £m	2023 £m
Change in net assets without donor restrictions	A	<u>(14.1)</u>	<u>(41.0)</u>
Total operating revenue – unrestricted	B	626.5	596.7
<i>Plus gains:</i>			
Investment return appropriated for spending (Other investment income)	6	(9.0)	(5.3)
Sale of fixed assets	Page 96	–	–
Total revenues and gains without donor restrictions		<u>617.5</u>	<u>591.4</u>

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

	Note	2024 £m	2023 £m
Net assets without donor restriction	C	528.4	535.2
Net assets with donor restriction	C	88.7	81.2
<i>Less:</i>			
Net assets with donor restrictions: Endowments restricted in perpetuity annuities, term endowments and life income funds with donor restrictions	21	(52.0)	(48.8)
intangible assets			
Net PPE	F	(613.9)	(605.0)
Lease – right of use, net	13	(13.2)	(14.1)
RBP pension liability	20	38.6	37.2
Long-term debt obtained for long-term purposes	G	90.7	98.8
Lease – right of use asset liability	27	22.7	23.2
Expendable net assets		<u>90.0</u>	<u>107.7</u>
Total expenses without donor restrictions – taken directly from Statement of Activities	D	639.5	594.1
<i>Less:</i>			
Other components of net RBP periodic pension costs	20	(38.6)	37.2
Other (gains)/losses	E	(1.4)	(6.3)
Total expenses and losses without donor restrictions		<u>599.5</u>	<u>637.6</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	2024 £m	2023 £m
Net assets without donor restriction	C	528.4	535.2
Net assets with donor restriction	C	88.7	81.2
<i>Less:</i>			
Intangible assets		–	–
Unsecured related party receivables		–	–
Modified net assets		<u>617.1</u>	<u>616.4</u>
Total assets		978.7	993.4
<i>Less:</i>			
Intangible assets		–	–
Unsecured related party receivables		–	–
Modified assets		<u>978.7</u>	<u>993.4</u>

Notes to the ratios

A Change in net assets without donor restrictions	Note	2024 £m	2023 £m
Total comprehensive income for the year	Page 89	149.0	(5.5)
Move on USS pension liability	20	(147.6)	(25.4)
Decrease in accrued holiday pay	28	(0.7)	(0.7)
Gain on restricted endowments	21	(10.6)	(2.1)
Restricted endowment expenditure	21	4.0	4.3
Restricted donations	7	(7.6)	(11.0)
Investment income on restricted endowments	21	(0.7)	(0.6)
		<u>(14.2)</u>	<u>(41.0)</u>
		2024	2023
		£m	£m
B Total operating revenue – unrestricted			
Total income	Page 88	634.8	608.3
Restricted donations	7	(7.6)	(11.0)
Investment income on restricted endowments	21	(0.7)	(0.6)
		<u>626.5</u>	<u>596.7</u>
		2024	2023
		£m	£m
C Net assets without restrictions			
Net assets per Balance Sheet		604.2	455.2
Less net assets with donor restrictions	Page 89		
Restricted endowments	21	(87.4)	(80.0)
Restricted reserves	22	(1.3)	(1.2)
Add FRS 102 adjustments			
USS pension liability	20	–	147.6
Holiday pay accrual	18	12.9	13.6
		<u>528.4</u>	<u>535.2</u>

Notes to the Financial Statements *(continued)***33 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)**

D Total expenses without donor restrictions		2024	2023
		£m	£m
Total expenditure	Page 88	493.3	573.3
<i>Less:</i>			
RBP pension service cost adjustment	8	1.8	(1.4)
Restricted endowment expenditure	21	(4.0)	(4.3)
Taxation	12	0.1	0.4
<i>Less FRS 102 adjustments:</i>			
Movement on USS pension liability	20	147.6	25.4
Decrease in accrued holiday pay	28	0.7	0.7
		639.5	594.1
E Other (gains)/losses			
		2024	2023
		£m	£m
Share of operating (surplus)/deficit	15	(0.7)	4.4
Share of deficit in associate	16	–	0.3
Loss on impairment of non-current assets	Page 88	2.4	3.7
Gain on unrestricted endowments	21	(0.8)	(0.2)
Gains on revaluation of unrestricted non-current assets	14	0.5	(1.9)
		1.4	6.3
F Net property, plant and equipment			
		2024	2023
		£m	£m
Pre-implementation property, plant and equipment		484.8	484.8
Construction in progress	13	91.1	57.9
Post-implementation property, plant and equipment without outstanding debt		38.0	62.3
		613.9	605.0
G Long-term debt for long-term purposes			
		2024	2023
		£m	£m
Pre-implementation long-term debt	18 & 19	88.0	96.0
Long-term debt not for the purchase of property, plant and equipment	18 & 19	2.7	2.8
		90.7	98.8