



**Birmingham  
Newman  
University**

# **BIRMINGHAM NEWMAN UNIVERSITY**

## **Annual Report of Council and Financial Statements For the Year Ended 31 July 2024**

**Registered Charity Number: 1110346**  
**Registered Company Number: 05493384**

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## BIRMINGHAM NEWMAN UNIVERSITY

### CONSTITUTION

The conduct of the University's affairs during the year is governed by the University's Articles of Association, most recently revised and approved by Council in 2023 and revised in 2019. The University is a charitable company limited by guarantee.

### Council Members and their interests

The Council Members serving during the year to 31 July 2024 and up to the date of approval of these financial statements were:

Chair of the Council	Professor Margaret House OBE
Independent Council Members:	
Catholic Members	Rowland Agidee (from 1 January 2024) Michael Diiorio (from 1 January 2024) Deirdre Finucane (until 29 February 2024) Angel Garcia Velazquez Karan Gilmore ( <i>Chair of Nominations and Governance Committee</i> ) Professor Margaret House ( <i>Chair of Council, Vice-Chair of Finance and General Purposes Committee, Acting Chair FGPC from 1 January 2024 to 30 June 2024</i> ) Phillip Lennon ( <i>Chair of Audit and Risk Committee</i> ) Martin McNeill (from 1 January 2024) Martin Stringer (from 1 January 2024)
non-Catholic Members	Katherine Birch (from 1 January 2024) Gayle Ditchburn ( <i>Vice-Chair of Council, Chair of the Remuneration Committee</i> ) Professor Tony Christopher Harris ( <i>Chair of Finance and General Purposes Committee</i> from 1 July 2024) Laila Iftikhar-Ali (from 1 January 2024) Stephen Kenny (until 31 December 2023) Christopher Leigh (from 1 January 2024) Professor Femi Oyeboode (until 31 December 2023)
Council Members – Ex-Officio	Professor Jacquelyn Dunne ( <i>Vice-Chancellor</i> ) Archbishop Bernard Longley
Staff Council Members	Leoarna Mathias (until 26 February 2024) Joanne Hill (from 4 October 2023)
Student Council Member	Zoe Harrison (until 30 June 2024) Gemma Bowen (from 1 July 2024)
Observer	Remi Turton (co-opted to Audit and Risk Committee (from 1 July 2024)

The Council Members received no remuneration during the year in their capacity as members of Council.

All Council Members are required to declare their interests at Council and Committee meetings and are not able to vote on matters in which they have a direct interest. No members have declared interests during Council or Committee meetings in the period covered by this report.

The Council Members of the University have agreed to contribute £1 each to the assets of the University in the event of it being wound up.

## **PRINCIPAL ADDRESS**

Birmingham Newman University  
Genners Lane  
Bartley Green  
Birmingham  
B32 3NT

## **VICE-CHANCELLOR**

Professor J Dunne

## **BANKERS**

National Westminster Bank Plc  
Commercial Banking  
4th Floor, 2 St Philip's Place  
Birmingham  
B3 2RB

## **SOLICITORS**

Mills & Reeve  
78-84 Colmore Row  
Birmingham  
B3 2AB

Shakespeare Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

## **AUDITORS**

(Internal) RSM UK Risk Assurance Services LLP  
10<sup>th</sup> Floor  
103 Colmore Row  
Birmingham  
B3 3AG

(External) Grant Thornton UK LLP  
17<sup>th</sup> Floor  
103 Colmore Row  
Birmingham  
B3 3AG

## **REPORT OF THE COUNCIL (INCORPORATING THE STRATEGIC REPORT)**

The Council is pleased to present its report and the accounts of the University for the year ended 31 July 2024.

### **PRINCIPAL ACTIVITY**

The principal activity of the University in the year under review, in line with the University's objects, was the provision of high-quality foundation, undergraduate and postgraduate degree level courses. These programmes were offered through the two Faculties of the University and in conjunction with a number of collaborative partners.

In planning activities, the Council Members have given careful consideration to the Charity Commission's general guidance on public benefit.

### **OPERATING AND FINANCIAL REVIEW**

#### **Introduction**

The University is named after the 19<sup>th</sup> century cardinal St John Henry Newman who wrote 'The idea of a university' in 1852, and we are still guided by his vision of a community of scholars. The University is built around community and the belief that education enables students to develop new ways of understanding the world, to help make a positive impact within it. This is delivered through smaller class sizes and an interactive learning style. The University is proud of its diverse, friendly and inclusive environment, where students are welcomed and receive transformational learning opportunities together with support in preparing for employment. While our students are from all faiths and none, the Catholic ethos has been retained.

The modern single campus, eight miles southwest of Birmingham city centre, has outstanding facilities for teaching, learning and social spaces for students. The curriculum continues to expand with the first cohorts of students entering the new School of Nursing and Allied Health. The School curriculum includes courses in Adult Nursing, Mental Health Nursing and Physiotherapy which commenced in September 2023, and it continues to expand its programmes with Paramedic Science and Occupational Health commencing in September 2024. The University aims to provide qualified practitioners from diverse backgrounds, for the local West Midlands Health sector, and beyond.

For many of our students, being the first in their family to enter higher education, can be a daunting prospect and, as an institution, we prioritise supporting new learners to achieve their goals. Newman was ranked first in the 2024 Sunday Times Good University Guide Social Inclusion table for England and Wales. The National Student Survey (NSS) results for 2024 placed Birmingham Newman University seventh in the country for overall student satisfaction and number one in the West Midlands. Birmingham Newman University was also ranked as the number one university in England for student satisfaction, by the Complete University Guide 2025. These prestigious rankings reflect the University's unwavering commitment to delivering an outstanding educational experience and fostering a supportive and inclusive environment for all students. This echoes both our location and the proactive outreach and widening participation work that the University actively develops, to communicate the opportunities open to young people to enter higher education.

The University is 'teaching-led' and does not employ staff for research alone but ensures that students have regular contact with active researchers. With our distinctive commitment to transformational impact, we maintain our mission to make a positive difference to individuals and communities. In the latest Research Excellence Framework (REF 2021), Birmingham Newman doubled the number of academic teams submitting work, and also doubled the amount of that research deemed to be of world-leading status. Research is undertaken across a wide range of academic and professional disciplines and attracts external funding.

## **Continuing to build on our teaching foundations**

As a student-centred University, Birmingham Newman's challenging yet supportive learning environment enables students to engage with theories and concepts, discuss ideas and become independent learners and creative thinkers able to make a difference in the world.

Students are encouraged to undertake research in collaboration with their lecturers which has often led to students securing research grants, presenting at national conferences and having their work published in well-known publications. The academic staff at Birmingham Newman are research-active enabling them to debate and discuss current topics within their field of expertise and give their students a greater understanding of their subject area.

Each year a Learning and Teaching conference is delivered which is growing year on year in the number of students and staff that participate. The conference builds on projects between academics, students, and professional support staff. It provides a chance to think ideas through and celebrate the evolving learning community. The project scheme allows students to propose projects and bid competitively for funding on an annual basis. They put together teams of students, academics and professional support staff to take forward research or interventions that will enhance the student experience at Birmingham Newman.

## **STRATEGIC REPORT**

**Reaching out into Birmingham, the West Midlands and beyond, providing a university experience for all those who have the talent and commitment to benefit and supporting social and economic development in our region.**

Birmingham Newman University has a strong commitment to public benefit, widening participation and social mobility. As a result, the University has developed an outstanding reputation of achievement in this area. For example, the University exceeds nationally derived benchmarks for the recruitment of students from state schools and lower socio-economic groups and low participation neighbourhoods. Birmingham Newman supports The Sanctuary Scholarship (formerly the Article 26 scholarship) which supports students who have fled persecution and sought asylum in the UK.

The University continues to develop its links with its city and region. It was a founding member of Citizens UK Birmingham, an alliance of civil society groups within the city, and continues to actively support and engage with the objective of the group. During International Women's Day, Birmingham Newman University in conjunction with Citizens UK and with the theme for the year being, 'Inspire Inclusion' brought together a diverse range of individuals, all committed to celebrating the strength, resilience, and diversity of women's contributions to various communities within the city of Birmingham. Working with local communities, the University collaborates with the Birmingham Civic Society in developing school projects and is a supporter of the Birmingham Literature Festival. The development of outreach activities through the Uni Connect Programme has enabled the University to support young people from disadvantaged backgrounds from across the city. We remain committed to reaching out into and beyond the city to ensure prospective students understand the benefits of higher education, and specifically of being a student at Birmingham Newman University.

### Key financial performance indicators

The University's main key financial performance indicators are summarised below. Academic performance is more difficult to summarise in a simple indicator and therefore this is more fully reviewed in a later section of the operating and financial review. The University has achieved its key financial performance indicators, the data for which is within the audited financial statements. These results have been achieved through strong recruitment and management of costs.

Key financial performance indicator	2023/24 Target	2023/24 Achievement	2022/23 Achievement
Student Numbers (home, full time)	2905	3,554	2269
Surplus as % turnover	1.0%	6.3%	0.8%
Pay costs / income	65% (max)	50.9%	61.3%
Debt servicing costs	4% (max)	1.3%	1.8%
Minimum cash levels	£2.5m	£14.6m	£11.5m

### Academic performance

In the quinquennial 2023 Teaching Excellence Framework (TEF), Birmingham Newman University was rated 'Silver' in all categories, designating the University as providing 'very high quality provision'. The TEF is a national exercise run by the Office for Students (OfS) that aims to encourage higher education providers to deliver excellence in teaching, learning and positive student outcomes. The TEF does this by assessing and rating universities and colleges for excellence above a set of baseline requirements for quality and standards. Providers that take part in the TEF receive an overall rating as well as two underpinning ratings – one for the student experience and one for student outcomes. Birmingham Newman additionally received a silver rating of 'very high quality' for both these underpinning areas. The ratings reflect the extent to which a provider delivers an excellent experience and outcomes for its mix of undergraduate students across the range of its courses and subjects.

The University has continued to be successful in relation to academic quality. At the last OFSTED inspection (2024) of Birmingham Newman's Faculty of Education, all Initial Teacher Education provision was rated as Good.

### Working in partnership and collaboratively

The University continues to develop and maintain partnerships with a number of academic partners, providing opportunities for an increasing number and diversity of students who might not otherwise be able to access them - these include franchise arrangements with CECOS College, Fairfield School of Business and EDA College; and collaborative provision with Solihull College, South and City College, Birmingham, Markfield Institute of Higher Education, Queen's Ecumenical Foundation, Christ the Redeemer College, and ForMission College.

### Supporting our students through to graduate level employment

The University aims to improve lives by equipping students with the skills and qualities that prepare them to go out into their communities and serve at every level. The world of work is changing rapidly, especially around the skill sets that employers want and value, so we are developing more support and increasing our offer to students in order to meet their needs, as well as those of the employers and the wider labour market. In developing initiatives for the students, the University fully supports the OfS's ambition 'to make sure we deliver on the promise of HE as an engine for social mobility, and a gateway to a better life for those who undertake it'. The University has developed an Employability Strategy and a set of actions to deliver that strategy in line with our core values and commitments.

Birmingham Newman continues to provide a breadth of experiences to students enabling them to reach their full potential including enriching student learning through employer engagement.. The success of

the University's graduates is due to the commitment of the University not only to give students good academic qualifications but also to encourage a flexibility to change, developing enquiring minds capable of innovating and adapting to the challenges of the future. This is demonstrated by the initiatives of the University's careers and employability teams to integrate preparation for careers into general teaching, putting students in an advantageous position when it comes to securing employment. Students are also encouraged to take on additional roles during their time at Birmingham Newman – for instance, becoming a course representative, working as a student ambassador, working with the Students' Union, all of which help to develop valuable planning, communications and team-working skills that are valued by employers.

The Careers Service continues to provide a wide range of education, information, advice and guidance to help students - and graduates of up to three years - enhance their employability and develop effective career management skills to make informed decisions. The careers team has implemented *My Career*, an online system which gives all students and recent graduates access to book one-to-one personalised guidance sessions, workshops covering such topics as the use of *LinkedIn* and events such as the careers summer schools, careers fairs, and access to opportunities from employers and organisations.

We have continued to develop our offer for current and recent graduates as we seek to ensure that they are employable throughout their lives and are able to face the challenges of a constantly changing and evolving local, national and global labour market, within equally changing economic, social and cultural environments.

### **Supporting our students**

Over a third of students utilise the services provided by the Student Support Service. Students requiring a little extra support in navigating a new challenge, confronting a problem or learning new skills can receive guidance. The wealth of support available to students includes academic advice and learning development support, and support with dyslexia, physical or sensory disabilities, long term health issues, mental health or autism. Counselling and welfare advice are also available. In recent years, a number of new systems have been introduced to support students to access these resources more effectively. A new signposting guide, a new intranet-based safeguarding reporting system and a new intranet-based triage system are helping students with wellbeing concerns to be able to request an appointment quickly with a practitioner.

Birmingham Newman University is a signatory member of the Care Leaver Covenant, an initiative established to improve support to young people aged 16-25 leaving care. The initiative aims to harness the expertise and resources of businesses, education providers and charities to ensure those leaving care have the necessary support and opportunities to succeed and thrive. The University has also signed the Stand Alone Pledge, meaning we are publicly committed to supporting students who are studying without the support or approval of a family network.

Supporting students with their learning and development and ensuring that they are engaging with their academic studies, is known to help their understanding of the subject, increase their ability to participate and develop enquiring minds. We have invested in systems and processes to actively offer support at an early stage to students who may not be fully engaged.

For over 10 years, Birmingham Newman University has been helping new students to adapt to the world of Higher Education through a programme called HEADs. This programme has developed and extended to provide HEADOnline, a digital version of HEADstart with accessible materials and twilight learning opportunities.

### **Research**

The gaining of research degree awarding powers (RDAP) is recognised as being of strategic importance to the institution's development and reputation. Birmingham Newman University has made the commitment to consider applying for RDAP during the period of the new Strategic Framework. All postgraduate research students enrolled for doctoral degrees with Birmingham Newman are currently registered with Liverpool Hope University and will receive their award from them. It is intended that the partnership with Liverpool Hope University continues until Birmingham Newman University gains its own research degree awarding powers.

The University recently participated in a Validation of Research Degrees review process conducted by Liverpool Hope University. The successful outcome of that review means that Birmingham Newman



now operates its own Research Degree Regulations and associated Code of Practice in anticipation of a future RDAP application.

Birmingham Newman University welcomed the publication of the REF 2021 results in March 2022. In comparison with REF2014, the University more than doubled the number of staff submitting work from 22 FTE (25 staff) to 56.9 FTE (59 staff). In terms of the results, Birmingham Newman also more than doubled the amount of research rated as World-leading, the highest category. Consequently, Birmingham Newman moved up seven places in the Research rankings published by Research Professional, the journal for researchers and research funding in Higher Education.

### Sustainability

Birmingham Newman University has an active Environmental Committee which has responsibility for promoting and achieving ever improving environmental standards. The University's Environmental Policy is reviewed annually and within this policy a number of targets are set, including for gas, electricity and carbon emissions, and these are monitored on a weekly basis. The Carbon Management Plan has been updated to reflect the commitment that Birmingham Newman University aims to be a negative carbon university campus by the year 2035.

Birmingham Newman University achieved both the ISO 14001 Environmental award and ISO 50001 Energy award. An external audit of the ISO awards was undertaken and full accreditation was achieved in May 2023. We were successfully audited again in April 2024. The University continues to invest in improving its environmental performance.

Overall energy consumption and CO<sup>2</sup> emissions decreased across the physical estate compared to last year. The table below details the University's carbon emissions and savings across a range of areas:

### 2023/24 Emissions

Area	Item	2022/23 (tCO <sub>2e</sub> )	2023/24 (tCO <sub>2e</sub> )	KPI (2022/23) (kgCO <sub>2e</sub> /m <sup>2</sup> NIA)	KPI (2023/24) (kgCO <sub>2e</sub> /m <sup>2</sup> NIA)
Greenhouse Gas Emissions (tCO <sub>2e</sub> )	Scope 1 Gas	514.1	499.3	28.30	27.5
	Scope 2 Electricity	277.3	285.6	15.26	15.7
	Scope 1 Vehicles	3.1	1.0		
	<b>Total Emissions</b>	<b>794.4</b>	<b>785.9</b>		
Campus Bought Out Energy	Natural Gas Consumption (kWh)	2,821,605	2,740,691		
	Natural Gas Cost (£)	£176,176	£275,632		
	Electricity Consumption (kWh)	1,313,741	1,353,124		
	Electricity Cost (£)	£307,142	£382,853		
Vehicle Fuel	Diesel (Miles)	9,833	3,274		
	Exhaust emissions (tCO <sub>2e</sub> )	3.1	1.0		

Carbon emissions Savings		2022/23	2023/24
Solar	Electricity Generation (kWh)	217,947	208,607
	CO <sub>2e</sub> Savings	46.0	46.9
CHP	Electricity output (kWh)	23,704	22,039

Water Consumption		2022/23	2023/24
m <sup>3</sup>		11,959	13,412
Scope 3 Emissions	tCO <sub>2e</sub>	5.03	5.07

#### Methodology

The consumption data has been taken from invoices for gas and electricity as well as the 2023/24 water consumption. Emissions factors used for the respective periods are those provided by DEFRA and DESNZ for Company Reporting. The emissions from vehicles have been calculated based on the DVLA emissions figures for the vehicles and the emissions factors also provided by DEFRA and DESNZ.

## Financial review of the year

The University's Income, Expenditure and Results for the year to 31 July 2024 are summarised as follows:

	<u>2023/24</u> £	<u>2022/23</u> £
Income	34,151,262	25,204,463
Expenditure	31,999,901	25,011,023
Surplus on continuing operations	2,151,361	193,440
Transfer from Revaluation Reserve in respect of depreciation of revalued assets	147,397	147,397
Comprehensive Income for the year	2,298,758	340,837

The University's total income in 2023/24 of £34.2 million has increased by 35% on the previous year. This was due to a significant increase in students, including an expansion of franchise provision. A surplus was achieved because of these increases in income and effective management of costs.

The out-turn for the year reflects the Council's commitment to the generation of operating surpluses to support the continuing need for investment in academic programmes and the physical campus. The financial strategy supports both investment in the campus and the ongoing sustainability of operations.

## Plans for future periods

The mission of the University has always been to provide high-quality accessible academic and professional education based on the values of respect for others, social justice and equality. Birmingham Newman University seeks to make a positive difference to individuals and communities through the contribution of staff, students and graduates.

Council is charged with the responsibility of setting the strategic direction of the University. Council approved a Strategic Framework in February 2020 covering the period 2020-2025. The Strategic Framework provides a clear vision for the future and reasserts the Catholic ethos, mission and values of the University. The key strands of the Strategic Framework are: to transform students' lives; to work in partnership with students; to grow our institution; to nurture our staff; to add to knowledge and cultivate wisdom; and to serve our diverse community and the wider world. Newman, in line with its motto 'ex umbris in veritatem' ('out of the shadows into truth'), is committed to continued enhancement of its approach to formation for students and staff. We are now developing our new vision and strategy, which will seek to build on successes to date and position the University for the future.

In planning for new income streams and in the development of an international experience on our campus, this year, the University has successfully applied for a student sponsor licence to enable the recruitment of international students. We expect the first cohort of international students to commence their studies in 2025.

Birmingham Newman University remains deeply committed to the goals of widening access to, and participation in, higher education, offering a broad portfolio and a range of flexible study routes.

It is important to note that the HE sector is facing a number of significant challenges, particularly around funding and sustainability. The market in which the university is operating is challenging, with increasing competition, as well as financial constraints and an increasing regulatory burden. In this context, the University has had a positive out-turn on the year, has reasonable cash reserves and a limited burden of debt, and is well placed to exploit the opportunities offered in the contemporary context of higher education in the UK. It will continue to deliver its commitment to offering a high quality university experience, strongly underpinned by the values and the legacy of our Catholic foundations. Council Members thank the staff for their commitment to this shared endeavour and for their many successes in the year.

### **Principal risks and uncertainties**

In a period of static levels of funding, meeting recruitment aspirations is important to provide funding to invest in the student experience and support the sustainability of the University. Potential changes to government policy in relation to access to higher education and funding levels could adversely impact our ability to recruit some groups of students and/or adequately resource some programmes.

The University's operations expose it to a variety of financial risks including the effects of changes in credit risk and liquidity risk. The University's principal financial instruments comprise sterling cash deposits and loan facilities together with debtors and creditors that arise directly from its operations.

The main risks arising from the University's financial instruments can be analysed as follows:

#### **Credit risk**

The University's principal financial assets are bank balances, cash and debtors, which represent the University's maximum exposure to credit risk in relation to financial assets.

The University's credit risk is primarily attributable to its debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one debtor depending upon their credit risk. The University's operations are such that, with the exception of the Student Loans Company, significant amounts are very rarely owed by a single debtor. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the University's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counter-parties are banks with high credit ratings assigned by international credit-rating agencies. The University has no significant concentration of credit risk, with exposure spread over a number of counter parties and customers.

#### **Liquidity risk**

The University's policy has been to ensure continuity of funding through acquiring the University's fixed assets using the generation of cash from its operating activities and use of long-term loan finance.

#### **Interest rate risk**

Interest-bearing assets comprise of cash and bank deposits, all of which earn interest at fixed and floating rates. University debt is serviced with a mix of fixed and floating rates. The University monitors the overall level of borrowings, interest costs and hedging strategy to limit any adverse effects.

### **Stakeholder Engagement**

The Council considers that it has acted in the way most likely to promote the success of the University (having regard to the stakeholders and matters set out in s172 of the Companies Act 2006) in the decisions taken during the year ended 31 July 2024.

The success of the University is reliant upon the support of its stakeholders. It is important that we build positive relationships with stakeholders who share our values, working together towards shared goals assists us in delivering long-term sustainable success.

The Council considers the potential consequences of its decisions on key stakeholders in the long term, taking into account a wide range of factors. The Council fully appreciates that the University can only grow sustainably through having regard to the views and needs of these stakeholders, being its

students, staff, suppliers, partners and the wider community. Decisions made by the Council are informed by the University's mission, vision and values as described in the 2020-2025 Strategic Framework. The Council approved and supports the 2020-2025 Strategic Framework. The six strategic objectives of the framework underline the aim of the University to achieve positive outcomes for all of its stakeholders and shape the decisions and actions of the Council, who monitor performance through regular review of related KPIs.

Birmingham Newman's Council has a clear framework for determining the matters within its remit and has approved terms of reference for matters delegated to its Committees and Senate. The Council agenda includes reports and presentations with regular updates on operational performance and on people matters. The Executive team attends Council meetings, as do functional heads, when their functions are relevant to the agenda. This ensures that the Council is in touch with all parts of the organisation in order to inform its judgements on longer term strategy. Both staff and student members sit on the Council as one way of ensuring regular engagement with these two key groups.

### **Equality of opportunity in employment**

The University has adopted a Single Equality Scheme, which was developed in recognition of the interrelated nature of equalities legislation and in response to the Equality Act 2010 and the Public Sector Equality Duty, which require institutions to work to promote equality and eliminate discrimination in all its activities; the operation of the scheme is reviewed by the Equality & Diversity Committee and reported on as appropriate. It is the policy of the University that all staff are required to undertake relevant equality and diversity training.

### **Employee involvement**

The 2020-25 Strategic Framework gives a commitment to staff development, encouraging staff to develop and flourish in alignment with the strategic objectives of the University. Enhancement of staff formation goes hand-in-hand with enhancement of student formation. Consequently, the University places considerable value on the involvement of its employees and on good communication with them.

Staff are encouraged to be involved in the University's committees, with a view to ensuring full participation by staff members at all levels of organisational decision-making. The University has a Joint Negotiating and Consultative Committee as the means for formal consultation and negotiation of terms of employment. This Committee is based on the principles of partnership working and represents all staff.

Trade Union Regulations 2017: Facility Time data for the period April 2023 to March 2024 is as follows:- 5 staff acted as Trades Union Representatives with 5 spending between 1%-50% of their working hours on facility time. Of the total pay bill, 0.00042% was spent on facility time, and 0% of paid facility time was spent on trade union activities.

### **Students**

Students are the key to everything we do. Our current Strategic Plan for the period 2020-2025 focuses several of its goals on students and the service/support that they need. We have provided updates on the work that has been undertaken during the year to achieve these goals within our Operating and Financial Review.

### **Suppliers**

It is important for the University to obtain the best terms for all of its business activities and Council recognises that relationships with suppliers are important to the University's long-term success and as such we work to build strong relationships to develop mutually beneficial and lasting partnerships. It is the University's policy to obtain the best terms for all business; thus, there is no single policy as to the terms used and supplier payment terms. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms.

### **Maintaining high standard of business conduct**

It is important for the University to comply with relevant laws and regulations, including the specific expectations of the OfS, the regulator for providers of higher education in England, as well as with statutory obligations including those related to health and safety. Council is updated regularly on legal and regulatory developments and takes these into account when considering future plans.

The 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 ensures all members of the executive and Council meet the definition of the OfS of a 'fit and proper' person. Further details on this and the other ways in which the University ensures it maintains a high standard of business conduct can be found within the Corporate Governance section of our Operating and Financial Review.

**The Context For Higher Education**

Birmingham Newman University makes a regular assessment of the risk factors in the external environment which may impact on the University; at the present time these are significant. The current financial climate continues to pose a material risk to even the most effectively run institutions. Birmingham Newman has taken a prudent approach to the management of its finances and the Council and Executive work together to ensure that the University's finances are appropriately monitored and managed.

As a student-centred University with strong Catholic values, Birmingham Newman is committed to providing a values-driven, formative university education, available to people from all backgrounds. A fundamental part of Birmingham Newman University's mission is to support social mobility through education. Birmingham Newman has developed a range of student support packages designed to provide assistance to a range of students, as well as a contextualised admissions process. This matches our commitment to continue to be a centre of excellence for widening participation and social mobility. In addition, the University will work to attract students from minority groups not currently engaged in higher education. The demand for programmes remains healthy reflecting Birmingham Newman's belief that its portfolio, which combines academic rigour with professional orientation, will be attractive in the current climate.

**Qualifying Third Party Indemnity Provisions**

Directors' indemnity insurance, indemnifying each director against liability to third parties, has been in place throughout the year ended 31 July 2024 and up to the date of approval of this report.

**Auditors**

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006.

The Report of the Council (incorporating the Strategic Report) was approved on behalf of the Council by:

*Professor Margaret House*  
.....

**Professor Margaret A House OBE  
(Chair of Council)**

*Professor Jackie Dunne*  
.....

**Professor Jackie Dunne  
(Vice-Chancellor/Council Member)**

Date of Approval: 27 November 2024

## **CORPORATE GOVERNANCE**

This statement of Corporate Governance relates to the period covered by the financial statements and the period up to their date of approval. Birmingham Newman University is an independent Roman Catholic institution which was granted taught degree awarding powers by the Privy Council in 2007 and full university status in 2013.

The University complies with the Higher Education Code of Governance that was re-issued by the Committee of University Chairs in September 2020. The Council, as constituted by the University's Articles of Association, comprises fourteen external independent Council Members. The Archbishop of Birmingham and the Vice-Chancellor are ex officio members and there are two Members who are staff of the University and one student Member elected by the student body. The roles of Chair and Vice-Chair of the Council are separated from the role of the University's Chief Executive, the Vice-Chancellor. The matters especially reserved to the Council for decision are set out in the Articles of Association and are supported by the Council's Statement of Primary Responsibilities. The Council, which holds to itself the responsibilities for the ongoing strategic direction of the University, the approval of major developments and the receipt of regular reports from the University Leadership Team on the day-to-day operations of its business, meets at least four times a year.

The Council has four main Committees – a Finance and General Purposes Committee, an Audit and Risk Committee, a Nominations and Governance Committee and a Remuneration Committee. The Committees each meet at least three times a year, and their decisions are formally reported to the Council. The Committees are formally constituted through the Standing Orders of the Council with terms of reference and mainly comprise external members of the Council. University Council Members attend meetings regularly and this has ensured quoracy. The Council's Standing Orders were last updated and approved in June 2024.

The Finance and General Purposes Committee recommends to the Council the University's annual budgets and monitors performance in relation to the budgets approved. It also considers the University's financial strategy and makes recommendations to Council; considers regular updates and advises the Council on people related issues, including Birmingham Newman's staffing, policies and changes to employment law; and reviews the accounts of Newman Firmtrust Ltd and the Students' Union.

The Remunerations Committee, chaired by the Vice-Chair of Council, determines the remuneration of those members of the University Leadership Team who are appointed by the Council. The Vice-Chancellor is not a member of the Remunerations Committee and is in attendance only at the request of the Chair to discuss staff that she manages.

The Audit and Risk Committee meets with the external and internal auditors to discuss audit findings and to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's responses and implementation plans. It also oversees the University's approach to risk management and receives and considers reports as they affect the University's business and monitors adherence to the regulatory requirements, including ongoing OfS conditions of registration. It reviews the University's annual financial statements, together with the accounting policies. While the Vice-Chancellor is not a member of the Committee, she makes herself available to the Committee at meetings to answer any questions and engage as appropriate. The Committee plays a key role in the appointment of external auditors, and meets with the internal and external auditors on their own for independent discussions annually.

The role of the Nominations and Governance Committee is to review the tenure of current members and seek out nominees for new membership of the Council and its committees, taking into account the balance of skills, experience and diversity of the Council. It is also responsible for overseeing governance matters within the University and undertakes and operates the governance effectiveness assessment, ensuring alignment with the CUC Higher Education Code of Governance; considers and advises Council on Safeguarding matters; and oversees the appointment of the Chancellor, Vice-Chancellor and other senior posts.

As the University's governing body, Council has the ultimate responsibility for the governance of the University and its compliance with the ongoing conditions of registration with the OfS. The University's Articles of Association stipulate the establishment of a Senate that shall have such powers and duties

as delegated to it by Council. Council has delegated the responsibility for the maintenance of academic quality and standards of the University's awards to Senate.

Senate draws its membership entirely from the staff and the students of the University. Following review, the terms of reference of Senate were updated and approved by the Council in 2021. The formal relationship between the Senate and the Council is managed through reports presented to the Council at every meeting by the Vice-Chancellor as Chair of Senate, featuring matters relating to reviews of the quality process and plans for academic development. The University has established additional opportunities for Senate and Council to gain a deeper understanding of each other's roles. A Senate-Council connection meeting takes place annually. This meeting has a joint agenda with presentations that enable discussion and promote opportunities for a deeper understanding of the respective responsibilities of each body. The Council is thus able to monitor the extent to which the Senate is conducting the academic affairs of the University in line with the direction of the Strategic Framework. Council members gain insight into the Senate's work by having the on-going opportunity to attend Senate meetings as an observer. Members of Senate can attend meetings of Council and its sub-committees on an ad hoc basis to update members on key issues and provide assurances as appropriate.

The Vice-Chancellor is the Chief Executive Officer of the University and has a general responsibility to the Council for the organisation, direction and management of the institution. Under the terms of the formal Funding Agreement with the Department for Education and the Conditions of Registration of the OfS, the Chief Executive is the Accounting Officer for the University.

The University maintains a Register of Interests of members of the Council and senior officers of the University, which may be consulted by prior arrangement with the Clerk to the Council. In accordance with the Articles of Association, the University Secretary has been appointed as Clerk to the Council; their job description contains separate responsibilities for each of these posts. The Clerk to the Council provides independent advice on matters of governance to all Council Members.

## **STATEMENT ON INTERNAL CONTROL**

This statement on internal controls relates to the period covered by the financial statements and the period up to their date of approval. The University is committed to exhibiting best practice in all aspects of corporate governance. The University Council is responsible for the University's system of internal control relating to the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities, and for reviewing their effectiveness, covering business, operational and compliance risk as well as financial risk. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks. It has been in place for the year ended 31 July 2024 and up to the date of approval of the annual report and accounts, and is regularly reviewed by the Council and its Audit and Risk Committee to ensure that it accords with best practice internal control guidance for directors as deemed appropriate for higher education.

The Finance & General Purposes Committee, as discussed above, recommends to the Council the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Remunerations Committee determines the remuneration of the most senior postholders, including the Vice-Chancellor and, where necessary, advises the Council on the appropriate level of any severance payments.

The Nominations and Governance Committee has been established following good practice outlined in the CUC Higher Education Code of Governance and its role is to seek out and consider applications for the membership of the Council and its committees and to monitor the diversity and engagement of Council members and the effectiveness of the University's corporate governance arrangements on behalf of the Council.

The University developed a 2020-25 Strategic Framework that arose from wide-ranging consultation with stakeholders. The University believes that the finalised Strategic Framework (approved by the Council in February 2020) represents the objects, vision, mission and values that then frame its six strategic objectives. The key ambition that stands out clearly is to work together in partnership to

transform students' lives. The University is implementing the Framework through its sub-strategies and associated action plans. Key Performance Indicators (KPIs) have been established and achievement is monitored by Council and they translate through to the University's Risk Management approach.

Following a review, an updated Risk Management Policy was approved in February 2021. This forms part of the University's internal control and corporate governance arrangements and identifies the underlying approach to risk management across the University. It defines the roles and responsibilities of Council and senior managers in the management of risks. It also outlines key aspects of the risk management process and identifies the main reporting procedures. It places emphasis on the active management of risk rather than simply the monitoring of risk. Audit & Risk Committee members focus on the effective management and/or identification of risks including in the context of KPIs. A substantive review of the University's Strategic Risks takes place twice each year which is part of a semi-annual, multiple touchpoint cycle whereby the University's Leadership and Operations teams review both the operational and strategic risks.

This approach has satisfied the Council that management, together with the internal and external audit services, have an appropriate process for identifying, evaluating and managing risk, together with appropriate staff training.

During the year, the University has:

- considered risk at meetings of the University Leadership Team and the University Operations Team;
- continued to consider how to further refine and mature the University's approach to risk management and, in particular, how this enables a culture of proactive risk management dialogue at operational and strategic levels
- reported to the Audit and Risk Committee at each meeting, and annually at Council, on risk issues and key internal controls;
- used the strategic risk register to determine the direction of the internal audit plan;
- experienced no significant internal control weaknesses or failures during the period covered by the financial statements and the period up to the date of approval.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic subject areas and administrative departments;
- a comprehensive medium- and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks (including operational, compliance and financial risk) and quarterly reviews of financial results involving variance reporting and updates of forecast out-turns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Council;
- comprehensive financial regulations, detailing financial controls and procedures, approved by the Audit and Risk Committee and Council; and
- a professional Internal Audit Service whose annual programme is approved by the Audit and Risk Committee and endorsed by the Council, and whose head provides the Council with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control, which operates to standards compliant with the OfS Regulatory Framework.



*Professor Margaret House*  
.....

**Professor Margaret A House OBE  
(Chair of Council)**

*Professor Jackie Dunne*  
.....

**Professor Jackie Dunne  
(Vice-Chancellor/ Council Member)**

Date of Approval: 27 November 2024

## **STATEMENT OF RESPONSIBILITIES OF COUNCIL MEMBERS**

In accordance with Article 13 of the University's Articles of Association, the responsibilities of the Council include overseeing its activities, the effective and efficient use of resources, the solvency of the University and is required to present audited financial statements for each financial year.

The Council (the Members of which are also the directors of the University for the purposes of company law) is responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, the Council is required to prepare the financial statements in accordance with the Office for Students ('OfS') Accounts Direction (issued October 2019), the OfS Terms and conditions of funding for higher education institutions (issued May 2020) through its accountable officer.

Under company law, the Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University for that year.

In preparing the financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in business.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the OfS Terms and conditions of funding for higher education institutions (issued May 2020), the Statement of Recommended Practice - Accounting for Further and Higher Education 2019 (issued October 2018 and any subsequent amendments), the OfS Accounts Direction (issued October 2019) and the Companies Act 2006. It is also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of Council have taken reasonable steps to:

- ensure that funds from the OfS are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS Terms and conditions of funding for higher education institutions (issued May 2020) and any other conditions which any funding body may from time to time prescribe;
- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;

- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS and other funding or regulatory bodies;
- ensure an effective framework – overseen by the University’s Senate, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards; and
- consider and act on the OfS assessment of the University’s risks specifically in relation to these funding purposes.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Council confirms that:

- so far as each Member is aware, there is no relevant audit information of which the University’s auditor is unaware; and
- the Members have taken all the steps that they ought to have taken as Members in order to make themselves aware of any relevant audit information and to establish that the University’s auditor is aware of that information.

Approved on behalf of the Council by:

<i>Professor Margaret House</i> .....	<b>Professor Margaret A House OBE (Chair of Council)</b>
<i>Professor Jackie Dunne</i> .....	<b>Professor Jackie Dunne (Vice-Chancellor/Council Member)</b>

Date of Approval: 27 November 2024

## Independent auditor's report to the Council of Birmingham Newman University

### Opinion

We have audited the financial statements of Birmingham Newman University (the 'University') for the year ended 31 July 2024, which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the state of the University's affairs as at 31 July 2024 and of its surplus, income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

### 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 University 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

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the University to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the University's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the University's financial resources or ability to continue operations over the going concern period.

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 University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the Reports and Financial Statements, other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the Reports and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 audit or otherwise appears

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

the information given in the strategic report and the directors' report prepared for the purposes of company law, included in the Report of the Council for the financial year for which the financial statements are prepared, is consistent with the financial statements; and

the strategic report and the directors' report included in the Report of the Council have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included in the Report of the Council.

### **Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')**

In our opinion, in all material respects:

funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;

funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency and the Department for Education have been applied in accordance with the OfS Terms and conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department of Education, and any other terms and conditions attached to them; and

the requirements of the OfS Accounts direction have been met.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of the Council's remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

the University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or

the University'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 responsibilities of Council Members set out on pages 18 and 19, the Council (whose members are also the directors of the charitable company for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the University and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, the Companies Act 2006, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices, The Higher Education Code of Governance, The Data protection Act 2018 and the Charities Act 2011;
- We understood how the University is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of relevant committee minutes and through our legal and professional expenses review;
- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgements made by management in its significant accounting policies
  - Identifying and testing journal entries, with a focus on unusual journals with specific risk characteristics and large value journals.
  - Review of business register of interest and the general ledger for any undisclosed related party transactions
  - Inspecting the Council and other committee minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the higher education sector

- 
- understanding of the legal and regulatory requirements specific to the University including:
    - the provisions of the applicable legislation
    - guidance issued by the OfS.
  - The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
  - In assessing the potential risks of material misstatement, we obtained an understanding of:
    - the University's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
    - the University's control environment, including: the policies and procedures implemented by the University to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
      - the policies and procedures implemented by the University to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
      - the adequacy of procedures for authorisation of transactions and review of management accounts
      - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

### **Use of our report**

This report is made solely to the University's Council, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Jim McLarnon*

Jim McLarnon ACA  
 Senior Statutory Auditor  
 for and on behalf of Grant Thornton UK LLP  
 Statutory Auditor, Chartered Accountants  
 Birmingham

Date: 4/12/2024

## **STATEMENT OF PRINCIPAL ACCOUNTING POLICIES**

### **1. STATEMENT OF ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### **2. BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP) and in accordance with Financial Reporting Standard 102 (FRS 102). The University is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University's accounting policies.

### **3. BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention as modified by the use of previous valuations as deemed cost at transition for certain non-current assets.

### **4. GOING CONCERN**

The activities of the University, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial Review.

The financial position of the University and its cash flow are described in the Financial Statements and accompanying notes. The University's financial projections, which have been risk assessed through sensitivity analysis, indicate that it will be able to operate within this existing loan facility and covenants for the foreseeable future. Surpluses will be maintained and cash generated.

Accordingly, the Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future, including for at least 12 months from the date of approval of the financial statements, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

### **5. BASIS OF CONSOLIDATION**

The financial statements do not include the subsidiary for the financial year to 31 July 2024 as the subsidiary did not trade and its balance sheet is immaterial to the group. The financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

### **6. RECOGNITION OF INCOME**

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which the students are studying. Franchise fee income is accounted for on a Principal basis which is a reflection of the risks and rewards associated with associated contracts, and the control over programme content and quality. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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



Government Grants, including funding council block grant and research grants from government sources, and other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions is deferred on the Statement of Financial Position and released to the Statement of Comprehensive Income in line with such conditions being met.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related condition being met.

Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

## **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 services to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of unused entitlement. Restructuring costs are recognised once there is a legal or constructive obligation to undertake restructuring activities, which includes redundancy payments.

## **8. LEASES**

### **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.

## **9. TANGIBLE FIXED ASSETS**

### **(a) Land and buildings**

Land and buildings at 1 August 1993 are stated at a valuation at that date. Additions since that date are stated at cost. The basis of the valuation is depreciated replacement cost and the valuation was carried out by Bond Wolfe Commercial, valuers and surveyors. Buildings (excluding improvements) are depreciated over their expected useful life of 50 years. No depreciation is provided in respect of freehold land.

On adoption of FRS 102, the University followed the transitional provision to retain the book value of land and buildings which were valued as above at deemed cost.

### **(b) Furniture, equipment and motor vehicles**

Furniture, equipment and motor vehicles costing less than £10,000 per individual item are written off in the year of acquisition. All other furniture, equipment and motor vehicles are capitalised.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated as above. The related grant is treated as a grant received in advance and released to income over the expected useful life of the equipment.

### **(c) Assets under construction**

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred as at 31<sup>st</sup> July. They are not depreciated until brought into use.

### **(d) Depreciation**

Depreciation is provided, on a straight-line basis, at the following annual rates in order to write off each asset over its estimated useful life, as shown

New Buildings	–	50 Years	(2% p.a.)
Internal Building Improvements	–	10 or 25 Years	(10% or 4% p.a.)
Furniture and Equipment	–	5 to 10 Years	(20% to 10% p.a.)
Telephone Equipment	–	5 Years	(20% p.a.)
Motor Vehicles	–	4 Years	(25% p.a.)
Computer Equipment	–	3 Years	(33 <sup>1</sup> / <sub>3</sub> % p.a.)

## 10. STOCKS

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

## 11. PENSION COSTS

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS), Aviva Pension (APS) and National Employment Savings Trust (NEST).

### (a) APS and NEST

APS and NEST are defined contribution schemes. The assets of each scheme are held independently. Contributions are charged to the Income and Expenditure account as they become payable in accordance with the rules of the scheme.

### (b) TPS

The TPS is a defined benefit plan, which is externally funded and contracted out of the State Second Pension. It is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the Income and Expenditure account in the periods during which services are rendered by employees.

## 12. MAINTENANCE OF PREMISES

The University has a five-year maintenance plan, which is reviewed on an annual basis. The cost of long-term and routine maintenance is charged to the Income and Expenditure account as incurred.

## 13. TAXATION STATUS

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received with categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The University is partially exempt in respect of Value Added Tax (VAT), so that it can recover only a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

## 14. CASH FLOW STATEMENT

Cash flows comprise increases or decreases in cash. 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.

## **15. PROVISIONS FOR LIABILITIES**

Provisions (other than provisions for post-retirement benefits) are recognised when the University has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably.

A contingent liability arises where the University has a possible obligation as a result of past events, or where the University has a present obligation as a result of past events, but where the transfer of economic benefit to settle the obligation is not probable, or the amount of the liability cannot be measured with sufficient reliability. Contingent liabilities are disclosed in the notes to the financial statements.

## **16. FINANCIAL INSTRUMENTS**

The provisions of both section 11 and 12 of FRS102 are applied in full. Financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price and carried at amortised cost using the effective rate of interest method.

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. Borrowing costs are recognised as expenditure in the period in which they are incurred. These liabilities are initially recognised at transaction price and carried at amortised cost using the effective rate of interest method.

## **17. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

### **i) RECOVERABILITY OF DEBTORS**

Provision is made for debts that are not considered to be collectable – referred to as a bad debt provision. This provision is calculated based on experience of previous years' collectability of differing type of debt and applied to the amount of outstanding debt. The University currently provides for 75% of outstanding student debt relating to prior years and 30% current year outstanding student debt.

### **ii) INCOME RECOGNITION**

The University applies judgement when determining the value and timing of income items recognised in the financial statements. This includes determining when performance related conditions have been met and the revenues associated with partially delivered courses, including franchise income, where the activities have not been fully completed at the reporting date.

### **iii) IMPAIRMENT OF ASSETS**

Inventory checks are carried out regularly to ensure fixed asset existence and to determine whether those fixed assets have suffered any impairment loss. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced and the impairment loss recognised immediately in the period it arises.

## **18. RESERVES**

Reserves are classified as restricted or unrestricted. A restricted, revaluation reserve is held, released annually to the income and expenditure account, in accordance with the university depreciation policy. An unrestricted retained earnings reserve is also held.

## STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	<u>Year ended</u> <u>31 July 2024</u>	<u>Year ended</u> <u>31 July 2023</u>
<b>INCOME</b>		£	£
Funding Body Grants	1	1,245,110	1,488,636
Tuition Fees and Education Contracts	2	29,523,535	21,031,965
Research Grants and Contracts	3	15,991	31,256
Other Operating Income	4	2,871,197	2,470,966
Investment Income		495,429	181,640
<b>Total Income</b>		<u>34,151,262</u>	<u>25,204,463</u>
 <b>EXPENDITURE</b>			
Staff Costs	5	17,386,311	15,448,511
Other Operating Expenses	6	12,661,385	7,752,640
Depreciation	7	1,843,277	1,689,317
Interest and other finance costs	8	108,928	120,555
<b>Total Expenditure</b>		<u>31,999,901</u>	<u>25,011,023</u>
 <b>Surplus before tax</b>		<u><b>2,151,361</b></u>	<u><b>193,440</b></u>
Taxation		-	-
 <b>Surplus for the year</b>		<u><b>2,151,361</b></u>	<u><b>193,440</b></u>
Transfers between revaluation and income and expenditure reserve		147,397	147,397
 <b>Total Income for the year</b>		<u><b>2,298,758</b></u>	<u><b>340,837</b></u>
Represented by:			
Unrestricted income		2,151,361	193,440
Revaluation reserve income		147,397	147,397
		<u>2,298,758</u>	<u>340,837</u>

**All items of income and expenditure relate to continuing activities**

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**STATEMENT OF CHANGES IN RESERVES**
**Year Ended 31 July 2024**

	<b>Income &amp; Expenditure Reserve</b>	<b>Revaluation Reserve</b>	<b>Total</b>
	£	£	£
<b>Balance at 1 August 2022</b>	32,971,528	6,210,484	39,182,012
Surplus for the year	193,440	-	193,440
Transfer between revaluation and income and expenditure reserve	147,397	(147,397)	-
Total Income for the Year	<u>340,837</u>	<u>(147,397)</u>	<u>193,440</u>
<b>Balance at 1 August 2023</b>	33,312,365	6,063,087	39,375,452
Surplus for the year	2,151,361	-	2,151,361
Release for Edgbaston Halls Demolition	-	(385,138)	(385,138)
Transfer between revaluation and income and expenditure reserve	147,397	(147,397)	-
<b>Balance at 31 July 2024</b>	<u>35,611,123</u>	<u>5,530,552</u>	<u>41,141,675</u>

## STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	Year ended 31 July 2024	Year ended 31 July 2023
		£	£
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	35,226,295	36,589,111
Investment in subsidiary	9	<u>2</u>	<u>2</u>
		35,226,297	36,589,113
<b>CURRENT ASSETS</b>			
Stocks		43,283	29,998
Trade and other receivables	10	1,744,998	2,038,896
Short term investments	9	11,281,000	9,000,000
Cash and cash equivalents	13	3,292,226	2,540,916
		<u>16,361,507</u>	<u>13,609,810</u>
CREDITORS: Amounts falling due within one year	11	(4,026,082)	(3,785,280)
<b>NET CURRENT ASSETS</b>		<u>12,335,425</u>	<u>9,824,530</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>47,561,722</u>	<u>46,413,643</u>
CREDITORS: Amounts falling due after more than one year	11	(6,420,047)	(7,038,191)
PROVISIONS FOR LIABILITIES AND CHARGES	12	-	-
NET PENSION LIABILITY	19	<u>-</u>	<u>-</u>
<b>TOTAL NET ASSETS</b>		<u><b>41,141,675</b></u>	<u><b>39,375,452</b></u>
<b>RESERVES</b>			
Income and expenditure reserve	16	35,611,123	33,312,365
Revaluation reserve	15	<u>5,530,552</u>	<u>6,063,087</u>
<b>TOTAL RESERVES</b>		<u><b>41,141,675</b></u>	<u><b>39,375,452</b></u>

The financial statements on pages **24 to 39** were approved by Council on 27 November 2024 and signed on their behalf by:

*Professor Margaret House*  
.....

**Professor Margaret A House OBE**  
**(Chair of Council)**

*Professor Jackie Dunne*  
.....

**Professor Jackie Dunne**  
**(Vice-Chancellor/Council Member)**

The accompanying accounting policies and notes form part of these financial statements.  
Registered Company Number: 05493384

## STATEMENT OF CASH FLOWS

	<u>Notes</u>	<u>Year ended</u> <u>31 July 2024</u>	<u>Year ended</u> <u>31 July 2023</u>
		£	£
Surplus on continuing operations		2,151,361	193,440
<b>Adjustment for Non-Cash Items</b>			
Depreciation charges		1,843,277	1,689,317
(Increase)/decrease in stocks		(13,285)	612
Decrease/(Increase) in debtors		293,896	(426,743)
(Decrease)/Increase in creditors		(86,027)	602,087
<b>Adjustment for Investing and Financing Activities</b>			
Investment Income		(495,429)	(181,640)
Interest Payable		108,928	120,555
Capital Grant Income		(50,000)	(1,172,160)
<b>Net Cash Inflow from Operating Activities</b>		3,752,721	825,468
<b>Cash flows from Investing Activities</b>			
Capital Grant Receipts		50,000	1,172,160
Investment Income		495,429	181,640
Payments made to acquire fixed assets		(865,599)	(1,823,979)
New Deposits		(2,281,000)	(5,500,000)
<b>Net Cash flows from Investing Activities</b>		(2,601,170)	(5,970,179)
<b>Cash flows from Financing Activities</b>			
Interest Paid		(108,928)	(120,555)
Repayments of Amounts borrowed		(291,666)	(333,333)
<b>Net Cash flows from Financing Activities</b>		(400,594)	(453,888)
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		750,957	(5,598,599)
Cash and cash equivalents at the beginning of the year	13	2,540,916	8,139,515
Cash and cash equivalents at the end of the year	13	3,291,873	2,540,916

## NOTES TO THE FINANCIAL STATEMENTS

### 1. FUNDING BODY GRANTS

	<b>Year ended 31 July 2024</b>	<b>Year ended 31 July 2023</b>
	£	£
Office for Students Recurrent Grant	518,997	481,055
Office for Students Capital Grant	126,000	176,000
Office for Students Other Grant	-	24,477
UK Research & Innovation Grant	356,241	595,428
Health Education England Capital Grant	200,476	200,476
Health Education England Other Grant	43,396	11,200
	<u>1,245,110</u>	<u>1,488,636</u>

Income from capital grants includes £326,476 in respect of capital grants released in the year (2022/2023: £376,476).

### 2. TUITION FEES AND EDUCATION CONTRACTS

Full-time Students – Home and EU	28,242,141	19,796,576
Part-time Students – Home and EU	1,281,374	1,232,949
Part-time Students - International	13	-
Other Fees & Charges	7	2,440
	<u>29,523,535</u>	<u>21,031,965</u>

### 3. RESEARCH GRANTS & CONTRACTS

Research Grants	<u>15,991</u>	<u>31,256</u>
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### 4. OTHER OPERATING INCOME

Residences and Catering	1,676,673	1,393,673
Other Income	<u>1,194,524</u>	<u>1,077,293</u>
	<u>2,871,197</u>	<u>2,470,966</u>

### 5. STAFF COSTS

The average number of persons (including senior post-holders) employed during the year, expressed as full-time equivalents, was 314 (2023: 293). During the year, compensation for loss of office of £44k was payable to 1 employee following their departure. This cost is included within operating costs.

Payroll costs during the year were as follows:

	<b><u>Year ended 31 July 2024</u></b>	<b><u>Year ended 31 July 2023</u></b>
	£	£
Wages and Salaries		
Teaching Staff	7,605,072	6,505,706
Non-Teaching Staff	5,836,221	5,553,314
Social Security Costs	1,388,579	1,263,552
Other Pension Costs	2,556,439	2,125,939
	<u>17,386,311</u>	<u>15,448,511</u>



**Total Remuneration of the Vice-Chancellor**

1 August 2023 – 31 July 2024

Remuneration:	195,331	180,862
Pension contributions:	49,510	42,828
Total Emoluments	<u>244,841</u>	<u>223,690</u>

The Vice-Chancellor's remuneration comprises basic salary and employer's pension contribution. In the financial year ending 31 July 2024 no severance, market supplements, bonus, salary sacrifice or allowances (paid or deferred) were made. The Vice-Chancellor's basic salary remains in the bottom quartile of the heads of institution within the higher education sector when measured against sector benchmarks, including that of the Cathedrals Group of which Birmingham Newman is a member. In determining the remuneration of the Vice Chancellor, the Remuneration Committee also recognises the financial constraints and the challenging environment facing the institution and sector. It was important that the University indicated to all stakeholders that it was mindful of the situation and that it will continue to exercise restraint in remuneration.

The Vice-Chancellor's basic salary is 5.3 times the median pay of staff (2023: 5.0), where the median pay is calculated on a full-time equivalent basis for the salaries paid by Birmingham Newman University to its staff. The Vice-Chancellor's total remuneration salary is 5.46 times the median total remuneration of staff (2023: 5.2), where the median remuneration is calculated on a full-time equivalent basis for the salaries paid by Birmingham Newman University to its staff.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University and are represented by the Council appointed Senior Post-Holders, which comprises the Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor, the University Registrar and the Chief Financial Officer.

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Salaries	618,273	597,802
	618,273	597,802
Pension contributions	157,310	129,394
Employers NI	79,333	85,280
Total emoluments	<u>854,916</u>	<u>812,476</u>

**Remuneration of higher paid staff, excluding pension contributions (excluding the Vice-Chancellor)**

Basic Salary per Annum	No of employees 2024	No of employees 2023
£100,000 - £104,999	-	1
£105,000 - £109,999	-	1
£110,000 - £114,999	1	-
£115,000 – £119,999	1	-
£120,000 – £124,999	-	1
£125,000 - £129,999	-	-
£130,000 - £134,999	1	-

**Council Members' Expenses**

No Council member has received any remuneration / waived payments from the University during the year (2023: NIL). The total expenses paid to or on behalf of Council Members was £6,368 (2023: £4,667).

**6. OTHER OPERATING EXPENSES**

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
<b>Analysis of Total Expenditure by Activity</b>	£	£
Academic and related expenditure	6,447,803	2,500,526
Administration and central services	2,480,029	2,542,756
Premises	3,369,493	2,393,026
Research	132,606	85,178
Other Operating Expenses	231,454	231,154
	<u>12,661,385</u>	<u>7,752,640</u>
 Other Operating Expenses include:	£	£
External Auditors' Remuneration:		
in respect of audit services	38,400	33,000
in respect of audit-related assurance services	3,600	4,800
Internal Audit	27,930	31,350
 Administration and central services include:	£	£
Operating lease rentals: Other	50,551	30,543

<b>Access and Participation</b>	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Access Investment	413,000	377,000
Financial Support	144,000	201,000
Support for Disabled Students	138,000	175,000
Research and Evaluation	20,000	20,000
Total	<u>715,000</u>	<u>773,000</u>

A copy of the University Access and Participation Plan is available on the website at:  
[www.newman.ac.uk/knowledge-base/access-and-participation-plan/](http://www.newman.ac.uk/knowledge-base/access-and-participation-plan/)

Staffing costs of £216,000 (2022/23 £216,000) are included within Access and Participation costs and these costs are included within note 5.

**7. TANGIBLE FIXED ASSETS**

	<b><u>Land and</u></b> <b><u>Buildings</u></b>	<b><u>Fixtures, Fittings &amp;</u></b> <b><u>Equipment</u></b>	<b><u>Assets in Course</u></b> <b><u>of Construction</u></b>	<b><u>Total</u></b>
	£	£	£	£
<b>Cost or Valuation</b>				
At 1 August 2023	51,634,015	3,413,634	-	55,047,649
Additions	364,897	406,922	93,780	865,599
Disposals	(1,013,522)	-	-	(1,013,522)
At 31 July 2024	<u>50,985,390</u>	<u>3,820,556</u>	<u>93,780</u>	<u>54,899,726</u>
 <b>Depreciation</b>				
At 1 August 2023	16,495,625	1,962,913	-	18,458,538
Charge for the year	1,300,025	543,252	-	1,843,277
Disposals	(628,384)	-	-	(628,384)
At 31 July 2024	<u>17,167,266</u>	<u>2,506,165</u>	<u>-</u>	<u>19,673,431</u>
 <b>Written down values:</b>				
At 31 July 2024	<u>33,818,124</u>	<u>1,314,391</u>	<u>93,780</u>	<u>35,226,295</u>
 At 31 July 2023	<u>35,138,390</u>	<u>1,450,721</u>	<u>-</u>	<u>36,589,111</u>

The transitional rules set out in FRS 102 have been applied on implementing FRS 102. Accordingly, the book values at implementation have been retained.

Land and buildings were valued in 1993 at depreciated replacement cost by a firm of independent chartered surveyors. At 31 July 2024, land of £3,831,375 was held within land and buildings and is not depreciated.

## 8. INTEREST

Interest and other finance costs relate to interest payable on the term loan, non-utilisation fees and interest on the revolving credit facility.

## 9. FIXED AND CURRENT INVESTMENTS

The University holds 100% of the share capital of Newman Firmtrust Limited at a cost of £2 (2023: £2). Newman Firmtrust Limited is a trading company that is incorporated and registered in England and Wales. The principal trading activity of the company is the construction of a halls of residence and a building extension on behalf of Birmingham Newman University, although it has been dormant throughout the current and prior year. This is classified as a fixed asset investment in the Statement of Financial Position.

Deposits are held with banks who are licenced by the Financial Services Authority. These short-term deposits do not meet the definition of cash equivalent. The fair value of these deposits was not materially different from the book value.

The following is a summary of financial information in respect of the subsidiary and current investments at 31 July 2024:

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Investment in Subsidiary	<u>2</u>	<u>2</u>
Short term deposits	<u>11,281,000</u>	<u>9,000,000</u>

## 10. TRADE AND OTHER RECEIVABLES

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
AMOUNTS FALLING DUE WITHIN ONE YEAR:	£	£
Fees and services	713,429	1,211,763
Prepayments and accrued income	<u>1,031,569</u>	<u>827,133</u>
	<u>1,744,998</u>	<u>2,038,896</u>

## 11. CREDITORS

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
AMOUNTS FALLING DUE WITHIN ONE YEAR:	£	£
Bank overdraft	353	-
Term loans	291,667	333,333
Trade and other creditors	1,917,048	1,846,792
Revolving Green Fund	50,000	-
Payments received in advance	49,322	84,081
Social security and other taxation payable	343,105	341,981
Accruals and deferred income (see footnote 1)	<u>1,374,587</u>	<u>1,179,093</u>
	<u>4,026,082</u>	<u>3,785,280</u>

**Footnote 1****DEFERRED INCOME**

Included in Accruals and Deferred Income are the following items of income which have been deferred and will be recognised over the expected useful life of the assets to which they relate:

OfS Capital Grant	76,000	76,000
HEE Capital Grant	200,476	200,476
	<u>276,476</u>	<u>276,476</u>

**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:**

Deferred Income (see footnote 2)	2,382,547	2,659,023
Revolving Green Fund	100,000	150,000
Term Loan (see footnote 3)	-	41,668
Term Loan (see footnote 3)	<u>3,937,500</u>	<u>4,187,500</u>
	<u>6,420,047</u>	<u>7,038,191</u>

**Footnote 2****DEFERRED INCOME**

OfS Capital Grant	1,596,000	1,672,000
HEE Capital Grant	786,547	987,023
	<u>2,382,547</u>	<u>2,659,023</u>

**Footnote 3****TERM LOANS**

A term loan of £1,000,000 was drawn down in 2012, which is repayable in regular instalments totalling £83,333 per annum. The rate of interest on the loan is variable and based on 1.75% over SONIA base rate.

A term loan of £5,000,000 was negotiated in February 2019, with a two-year capital repayment holiday with first amortisation on 27<sup>th</sup> May 2021, repayable in regular instalments totalling £250,000 per annum. The rate of interest on the loan is fixed rate until February 2026 (7 years) at 1.2980% plus loan margin 1.1% (2.3980% total), payable quarterly.

INCLUDED WITHIN THE ABOVE ARE AMOUNTS FALLING DUE AS FOLLOWS:-

	<b><u>Year ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Between one and two years:		
Revolving Green Fund	100,000	-
Term Loan	-	41,668
Term Loan	<u>500,000</u>	<u>500,000</u>
	<u>600,000</u>	<u>541,668</u>
Between two and five years:		
Term Loan	<u>750,000</u>	<u>750,000</u>
More than five years:		
Revolving Green Fund	-	150,000
Term Loan	<u>2,687,500</u>	<u>2,937,500</u>
	<u>2,687,500</u>	<u>3,087,500</u>

**12. PROVISION FOR LIABILITIES AND CHARGES**

There were no provisions for liabilities and charges in the years ended 31 July 2023 or 31 July 2024.

### 13. CASH AND CASH EQUIVALENTS

	At 1 August 2023	Cash flows	At 31 July 2024
	£	£	£
Cash and cash equivalents	2,540,916	751,310	3,292,226
Bank Overdraft	-	(353)	(353)
Total	2,540,916	750,957	3,291,873

Bank overdraft is included within liabilities on the balance sheet.

### 14. RECONCILIATION OF NET DEBT

	<b><u>Year Ended</u></b> <b><u>31 July 2024</u></b>	
	£	
<b>Net Debt as at 1 August 2023</b>	<b>(2,171,585)</b>	
Movement in Cash and Cash Equivalents	751,310	
Movement in Overdraft	(353)	
Repayment of Loans	333,333	
<b>Net Debt as at 31 July 2024</b>	<b>(1,087,295)</b>	
<b>Change in Net Debt</b>	<b><u>1,084,290</u></b>	
<b>Analysis of Net Debt:</b>	<b><u>Year Ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year Ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Cash and Cash Equivalents	3,292,226	2,540,916
<b>Borrowings: Amounts falling due within one year</b>		
Unsecured Loans	341,668	333,333
Bank Overdraft	353	-
Balance as at 31 July	<u>342,021</u>	<u>333,333</u>
<b>Borrowings: Amounts falling due after one year</b>		
Unsecured Loans	3,937,500	4,229,168
Revolving Green Fund	100,000	150,000
Balance as at 31 July	<u>4,037,500</u>	<u>4,379,168</u>
<b>Net Debt</b>	<u>1,087,295</u>	<u>2,171,585</u>

### 15. REVALUATION RESERVE

	<b><u>Year Ended</u></b> <b><u>31 July 2024</u></b>	<b><u>Year Ended</u></b> <b><u>31 July 2023</u></b>
	£	£
Revaluations		
At 1 August and 31 July	<u>10,768,969</u>	<u>10,768,969</u>
Contributions to Depreciation		
At 1 August	4,705,882	4,558,485
Released in year to general reserves	147,397	147,397
Release for Edgbaston Halls demolition	385,138	-
At 31 July	<u>5,238,417</u>	<u>4,705,882</u>
Net Revaluation Amount		
At 31 July	<u>5,530,552</u>	<u>6,063,087</u>

## 16. INCOME AND EXPENDITURE RESERVE

	<u>Year Ended</u> <u>31 July 2024</u>	<u>Year Ended</u> <u>31 July 2023</u>
	£	£
Income and Expenditure Reserve		
Balance at 1 August	33,312,365	32,971,528
Surplus for the year	2,151,361	193,440
Depreciation released in the year from revaluation reserve	147,397	147,397
Balance as at 31 July	<u>35,611,123</u>	<u>33,312,365</u>

## 17. CONTINGENT LIABILITY

Exchequer interests (representing the contributions made by OfS towards the construction and refurbishment of University buildings) amounted to £2,660,043 as at 31 July 2024. Exchequer interests are amortised over 10-15 years and are repayable only in the event of insolvency or a significant reduction in the level of publicly funded activity.

In the event of a substantial change in the mission of the University to the effect that the University is no longer concerned with the provision of education as a Catholic institution, the University may be liable to pay an amount to the Catholic Education Service of up to 25% of the value of the premises. It is not possible to quantify the amount of the contingent liability.

## 18. STUDENT NUMBERS

The number of students attending courses  
(excluding short courses) at the University were:

	<u>2024</u>	<u>2023</u>
Full-time	3,554	2,269
Part-time	528	506
	<u>4,082</u>	<u>2,775</u>

## 19. PENSION SCHEMES

The three pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), Aviva Pension scheme (APS) and National Employment Savings Trust (NEST). The assets of the schemes are held in separate administered funds.

	<u>Year ended</u> <u>31 July 2024</u>	<u>Year ended</u> <u>31 July 2023</u>
	£	£
Total pension cost for the year		
Teachers' Pension Scheme: employer contributions paid	1,907,470	1,523,674
Aviva Pension Scheme: employer contributions paid	646,389	599,748
NEST: employer contributions paid	2,580	2,517
Total Pension Cost for Year	<u>2,556,439</u>	<u>2,125,939</u>
Made up of:		
Employer costs	<u>2,556,439</u>	<u>2,125,939</u>
Total Pension Cost for Year	<u>2,556,439</u>	<u>2,125,939</u>

(a) TPS

### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS

### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments which produce that real rate of return.

### **Valuation of the Teachers' Pension Scheme**

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Government Actuary's Department on 5 March 2019. The key results of the valuation and the subsequent consultation are:

- employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% levy for administration);
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;
- an employer cost cap of 7.3% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS was implemented in September 2019.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

### **Scheme changes**

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS which was implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three-and-a-half-year period, for people who would fall up to three and a half years outside of the 10-year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

#### **FRS 102 (28)**

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

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University has set out above the information available on the plan and the implications for the University in terms of the anticipated contribution rates.

#### **(b) Aviva Pension Scheme (APS)**

The APS is operated by the University and is a defined contribution scheme designed to provide retirement benefits for any of its permanent employees who elect to join the scheme. The assets of the scheme are independent of the University's finances. The pension costs charged to the Income and Expenditure account (Note 5) include contributions payable by the University to the scheme.

#### **(c) NEST**

The University introduced the option of NEST for all employees who are ineligible to join TPS or APS. This is a workplace pension scheme set up by the government to meet the requirements of the auto enrolment pension rules.