

Nottingham Trent University

Consolidated and University

Financial Statements

as at

31 July 2023

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Strategy: University, Reimagined

The University's Strategy builds on its recent success and is bold and distinctive. It seeks to reimagine Nottingham Trent University under six key Strategic Themes, five of which have been carried forward from the previous strategy. The Themes have the following ambitions for where we will be by 2025:

Creating Opportunity

Through pursuing personalisation of student experience above and beyond expectations, every student has the potential to develop the knowledge, skills and resilience they seek to create meaning and purpose in their lives. Our global community of lifelong learners has access to flexible courses of equal quality to our celebrated campus provision. Our delivery of social mobility through parity of outcomes has bestowed international recognition.

Valuing Ideas

We have defined, resourced, and promoted a compelling portfolio of world-class research and innovation. We have created new ways for collaborators to share in the spirit of creativity and curiosity that characterises our research, scholarship, and practice.

Enriching Society

We are a widely acknowledged force for good in economic, social and cultural development. We collaborate with those who like us want to address the key challenges of our times and our places.

Embracing Sustainability

We have curated an intergenerational conversation with our students, colleagues, and stakeholders and are recognised as the most environmentally responsible University in the UK.

Connecting Globally

We have gained renown for our truly global perspective. We are not restricted by borders or boundaries. We work together to deepen and share our insights and understanding of our world for the benefit of the planet and all its inhabitants.

Empowering People

Distinctive and disruptive, we have empowered people to do the right thing. We have been bold in exploring unfamiliar paths and pursuing novel solutions.

Delivering *University, reimagined* involves working across the University. Each department of the University has developed a set of ambitious 'commitments' that it is making to the achievement of the Strategy for 2025 and has developed associated annual action plans.

NTU continues to innovate and expand its provision. In 2019 NTU embarked on a plan to bring Higher Education to school leavers in the Mansfield and Ashfield area, and invested in a partnership with West Nottinghamshire College to deliver higher education from the College's main campus in Mansfield. Mansfield will be the initial focus for NTU's new provision of Higher Technical Qualifications. Not only are we offering education that supports local skills needs and shapes a prosperous future for the local economy, it also enables us to play a role in creating initiatives that will transform the towns over the next ten years.

In addition to the Mansfield provision, NTU is expanding into London with Confetti and a new specialist centre for digital arts, production and performance offering a range of undergraduate- and postgraduate-level courses opened in 2023.

Corporate and Social Responsibility

Nottingham Trent University is a leader in corporate responsibility (CR), global citizenship and sustainable business practices. Commitment to our students, customers, staff, partners, communities and the environment is an integral part of the way we work. Operating with integrity and transparency, our aim is to embed CR throughout the organisation, integrating it with corporate strategy, decision making and risk assessment.

Every year, hundreds of our students volunteer to work in schools, colleges and community organisations, primarily in deprived areas where progression rates into university are lower than average. The students help to raise pupil aspiration and attainment and support local community groups, whilst developing their own skills and enhancing their experience at university.

Commitment to environmental sustainability is a key part of our strategy. NTU holds the externally-accredited Eco Campus Platinum and ISO 14001 status for its environmental performance and practices. We continue to maintain a leading position in the People & Planet Green League, in which we are ranked as a “First Class” University.

NTU helps to stimulate economic growth and development in the region through a number of initiatives, including The Dryden Enterprise Centre, through participation in a wide range of public events and provision of business services. NTU leads, with the University of Nottingham, the Universities for Nottingham initiative, a pioneering collaboration, bringing together the combined strength of Nottingham’s two world-class universities for the benefit of the local area, its people and its communities. Working with local partners the aim is to improve levels of prosperity, opportunity, sustainability, health and wellbeing.

Principal Corporate Risks

Principal corporate risks are included as a standing agenda item each week at the meetings of the University Executive Team (UET) and are formally reviewed quarterly. This is part of an institution-wide Risk Management framework which has been developed and refined over a number of years. The Audit and Risk Management Committee has responsibility for ensuring that risk management systems are embedded and effective.

Regulatory Environment

Legal status

Nottingham Trent University is a Higher Education Corporation (HEC) established under the provisions of the Education Reform Act 1988. The powers of the University are specified in section 124 of that Act and further articulated in the Further and Higher Education Act 1992.

Charitable status

As a HEC, the University has exempt charitable status (which derives from the Charities Act 1993 and its successor legislation). It is subject to regulation by the Office for Students (OfS) as the Principal Regulator of those Higher Education Institutions (HEIs) in England (17/18 and 19/20 paragraph 12d).

The members of the Board of Governors are also the Trustees of the University for the purposes of charity law.

Scope of the financial statements

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP) for the Further and Higher Education Sector 2019 and FRS102, and in accordance with the accounts direction set out by the OfS in its role as Principal Regulator for exempt-charity Higher Education Institutions in England.

The Financial Statements comprise the consolidated results of the University and its wholly owned subsidiary companies as follows:

- Nottingham Consultants Limited undertakes those activities which, for legal or commercial reasons, are more appropriately channelled through a limited company;
- Nottingham Conference Centre Limited provides conference and catering facilities for external clients;
- NLS Legal Limited provides legal advice and information services to the local community and individuals in need, whilst providing practical experience to law students;
- Nova Centric Limited provides further and higher education courses in music, multi-media and communication;
- Confetti Constellations Limited provides education facilities and services for music, multi-media and communications courses, including the design, consultancy, supply and installation services for the provision of music, moving image, IT equipment and furniture;
- NTU Temporary Staff Limited provides temporary staff to the University;
- MTIF (BEZ) Limited provides goods, services and equipment to and for the University's medical technologies innovation facility; and
- Notts TV Limited provides a local broadcast service to the Nottingham area.

All subsidiaries covenant the whole of any distributable taxable profits to the University, except for Nova Centric Limited which is a charitable company.

Financial Report

The University has delivered a strong financial performance in the year, producing an operating cash inflow of £48 million, enabling significant investment in the delivery of our Strategic Plan and in facilities and equipment to support teaching and research.

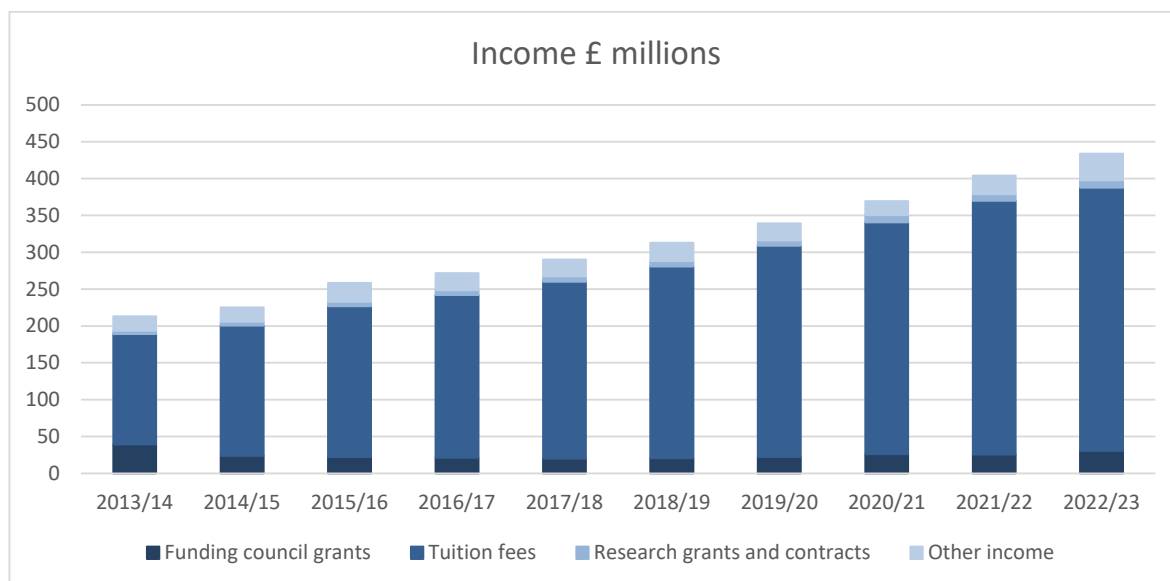
Income and Expenditure Account

The table below is a summary of the Income and Expenditure Account:

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Income	433.9	404.1	369.5	339.1	313.0
Expenditure	(410.5)	(395.6)	(349.8)	(332.5)	(317.2)
Operating surplus/(deficit)	23.5	8.5	19.7	6.6	(4.2)
Other (losses)/gains	(0.1)	7.4	9.3	(0.3)	(0.2)
Surplus/(deficit) for the year	23.4	15.9	29.0	6.3	(4.4)

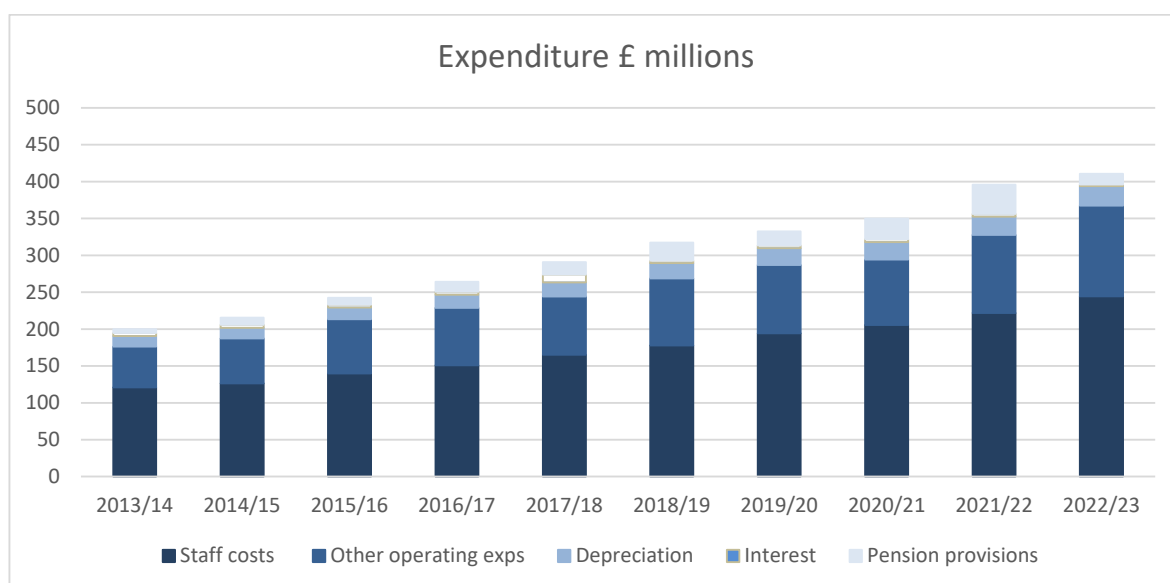
The surplus of £23.4 million represents 5.4% of income.

Income has grown by 7.4% year on year and by 39% over the last five years. Income from tuition fees represents 82% of total income. Since 2009/10 funding council grant income has decreased by over £48 million and now accounts for 7% of total income.



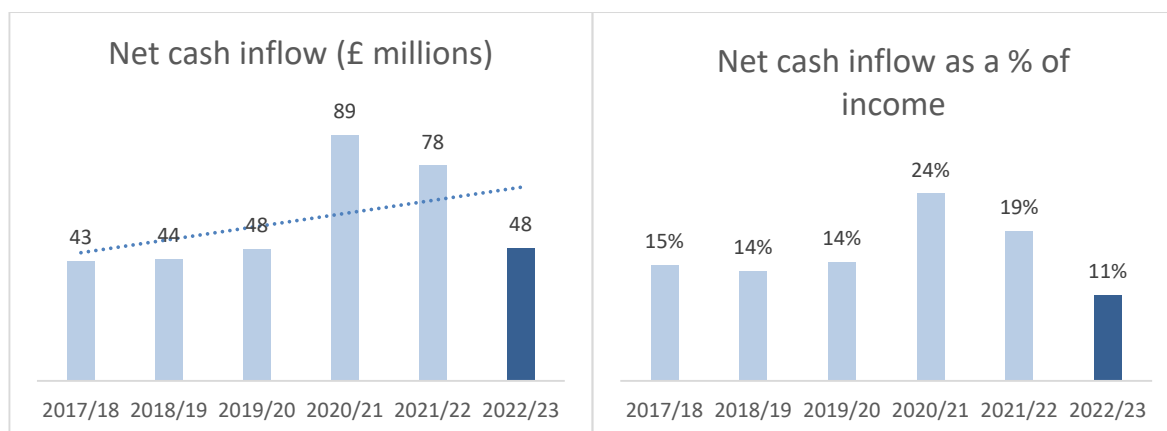
Expenditure has increased by 3.8% over the previous year, lower than the prevailing rate of inflation. This is due to lower pension accounting adjustments. Expenditure excluding pension accounting adjustments has increased by 11.2%, reflecting inflationary impacts.

Staff costs excluding pension operating cost adjustments represent 56% of total income (55% 2021/22).



Cash Flow

The University sets a minimum 10% Net Cash Inflow from Operations target as the key financial performance indicator. This target has been established to ensure investment capacity is created and to provide a sustainable financial model. In 2022/23 a net cash inflow from operations of £48 million and 11% of income was achieved consistent with the long term financial plan.



The treasury management policy prioritises security over returns and is formally reviewed annually by the Board of Governors. The University maintains a firm policy with regard to debtors. In respect of creditors, the University ensures prompt payment of suppliers and, subject to any other agreed contractual conditions, will normally make payment within 30 days following the date of invoice.

Balance Sheet

Net Assets excluding Pension Provisions have increased by £37 million due to strong financial performance and cash generation. At 31 July 2023, pension provisions reduced from £139.1m to £14.2m, mainly due to changes in the long term economic assumptions.

	<u>2023</u> <u>£m</u>	<u>2022</u> <u>£m</u>	<u>2021</u> <u>£m</u>	<u>2020</u> <u>£m</u>	<u>2019</u> <u>£m</u>
Non-current Assets	498.1	473.0	465.9	457.9	443.3
Current Assets (non-cash)	36.4	25.4	20.0	22.8	23.7
Cash and short-term deposits	157.7	192.3	144.2	92.4	62.9
Current Liabilities	(70.9)	(65.4)	(57.4)	(66.6)	(50.7)
Net Current Assets	123.2	152.3	106.8	48.6	35.9
Total Assets less Current Liabilities	621.2	625.3	572.7	506.6	479.2

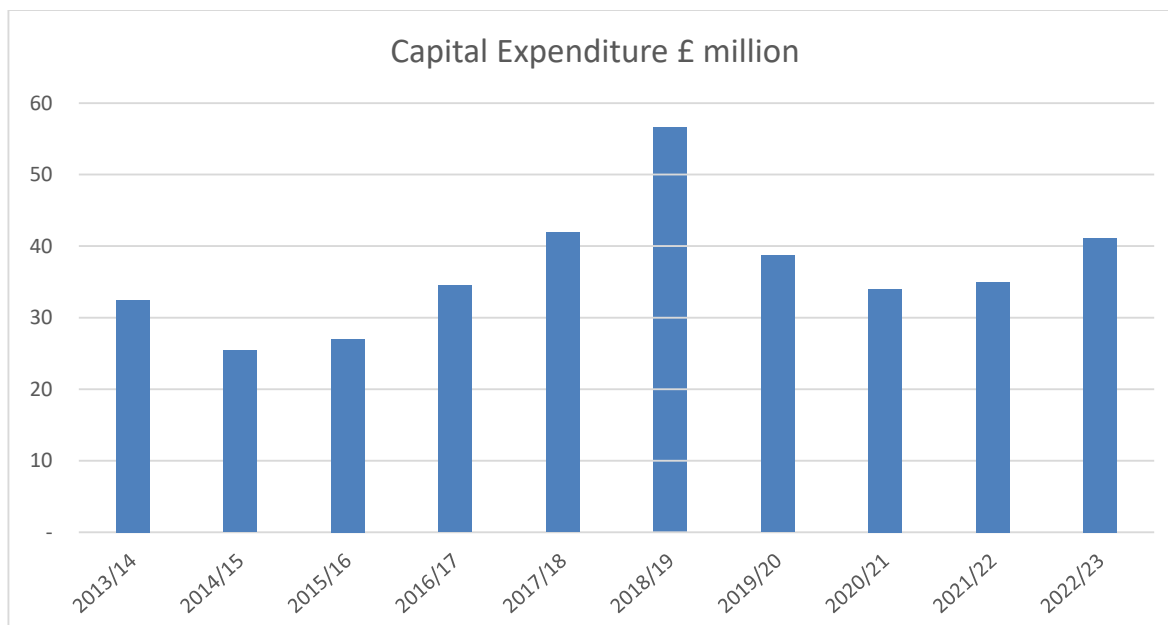
Operating and financial review (continued)

Nottingham Trent University

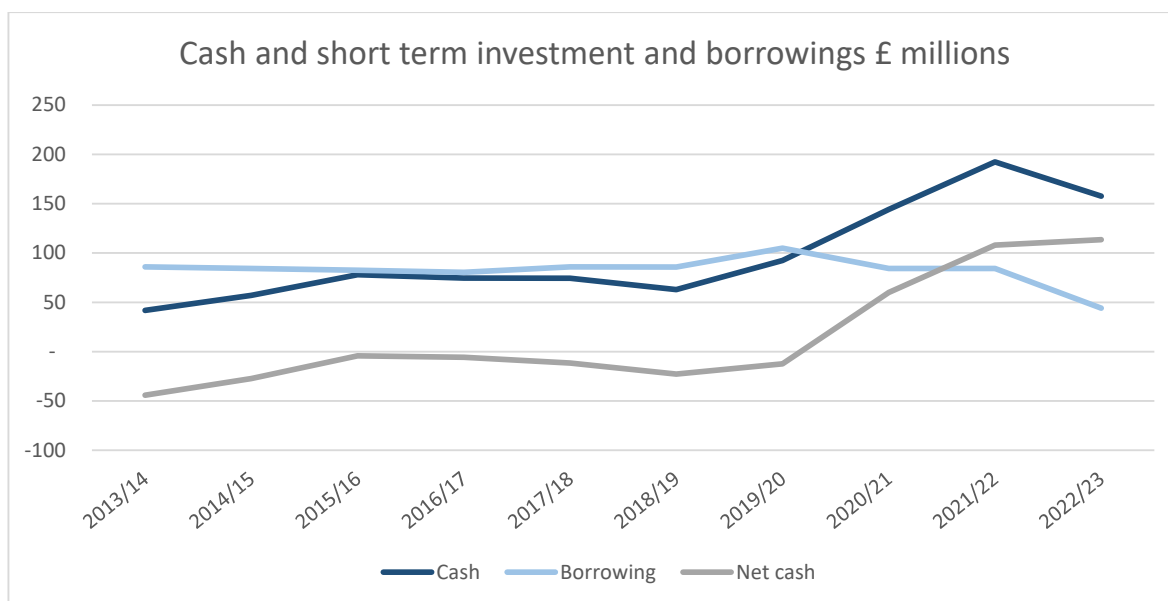
Financial statements as at
31 July 2023

Loans	(44.0)	(84.1)	(84.3)	(84.5)	(85.4)
Deferred capital grants	(69.4)	(70.5)	(69.6)	(62.5)	(58.8)
Provisions (exc Pensions)	(1.3)	(1.3)	(4.0)	(1.0)	(0.9)
Net Assets excluding Pension Provision	506.4	469.4	414.8	358.5	334.1
Pension Provisions	(14.2)	(139.1)	(402.8)	(370.9)	(240.3)
Net Assets/(Liabilities)	492.3	330.2	12.0	(12.3)	93.8

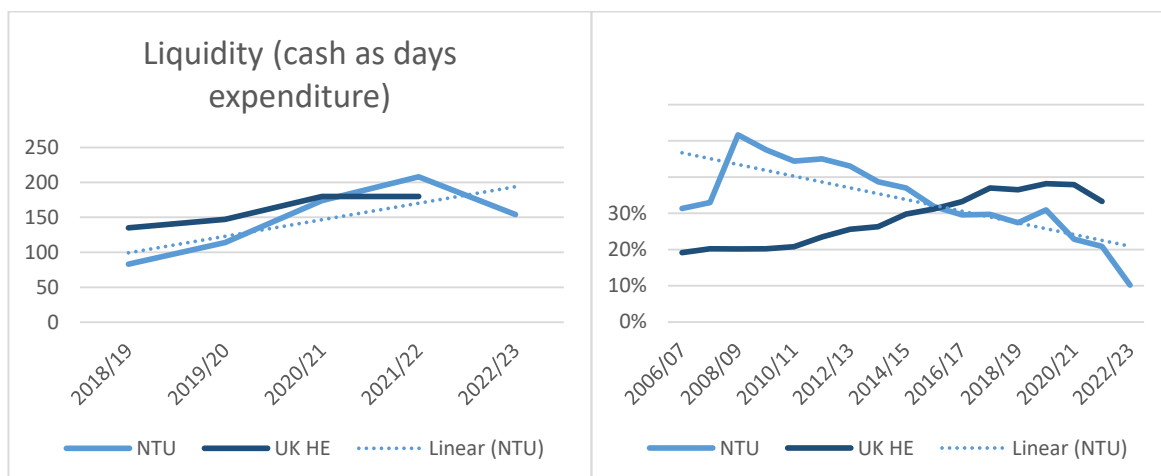
The University has an ongoing estates investment and regeneration programme to support the delivery of teaching, research and student facilities. A further £41 million has been invested in 2022/23, and financial plans include continued investment.



Cash and short term investments decreased by £35 million during 2022/23, following repayment of a £40 million bank loan.



At 31 July 2023 cash and short term investments represent 154 days liquidity. Borrowing is £44 million, 10% of income. Liquidity has decreased following the repayment of a £40m bank loan but remains similar to sector average. Borrowing levels are low compared to the sector.



For accounting purposes, in accordance with accounting standard FRS 102, the actuary to the Nottinghamshire LGPS, the Nottinghamshire County Council Pension Fund (NCCPF), is required to calculate the present value of future pension obligations and compare this to the value of the assets owned by the pension scheme.

All organisations with defined benefit pension schemes have to use the same methodology, ensuring financial statements are produced on a consistent basis and pension liability calculations for accounting purposes are comparable.

Accounting standards require actuaries to calculate the present value of future obligations using a discount rate linked to the investment performance of the Merrill Lynch AA-rated corporate bond yield. Low returns for a number of years for this asset class have resulted in low discount rates and therefore a higher present value of future obligations, leading to large pension deficit liabilities appearing on the Balance Sheets of organisations with defined benefit pension schemes. The increase in corporate bond yields this year has had a significant impact on Nottinghamshire County Council Pension Fund (NCCPF), with NTU's liability of £122m at the previous year end becoming an asset of £13.5m. The recognition of this asset has been capped at £nil.

At the triennial valuation date of 31 March 2022 the actuaries reported, for the NTU part of the fund, a funding level of 97.1% (92.4% in 2019), and a decrease in the funding deficit from £23.3m to £10.8m.

Corporate Governance

Structure and operation

The University's Board of Governors comprises lay/independent, co-opted and staff members appointed in accordance with the Instrument and Articles of Government of the University. All of the lay/independent members are non-executive. The roles of Chair and Deputy Chair of the Board are separated from the role of the University's Chief Executive, the Vice-Chancellor.

Matters specifically reserved to the Board of Governors for decision are set out in the Articles of Government of the University and the Office for Students terms and conditions of funding for higher education institutions.

The Board of Governors meets at least four times a year and has established several Committees, including a Membership and Nominations Committee, a Remuneration Committee, an Employment Policy Committee, an Audit and Risk Management Committee, a Strategy, Policy, Finance and Resources Committee, an Academic Assurance and Regulation Committee, and an Investment Committee. All of these Committees are formally constituted with terms of reference and comprise members of the Board of Governors and (where appropriate) co-opted non-Governor members with relevant skills and expertise. Minutes of the meetings of the Committees, along with reports from the Committees on specific issues, are submitted to the Board of Governors.

The Board of Governors has adopted the Governance Code of Practice published by the Committee of University Chairs (CUC), which was updated in September 2020. The Board of Governors seeks to organise and conduct its affairs in accordance with the principles of good practice articulated in that Code, and believes that, in all material respects, its conduct does accord with those principles. The Board of Governors and the University's Executive Team have also had due regard to the general and supplementary guidance on public benefit published by the Charity Commission in exercising their powers and duties.

The Board of Governors has adopted the CUC Higher Education Remuneration Code and an annual report on remuneration is prepared for review by the Board.

Primary responsibilities of the Board of Governors

In accordance with its various legislative and regulatory obligations, the Board of Governors of the University is responsible for:

- approving the mission and strategic vision of the institution, its long-term academic and business plans and key performance indicators, and ensuring that these meet the interests of stakeholders;
- delegating authority to the Vice-Chancellor (as chief executive and head of the institution) for the academic, corporate, financial, estate and personnel management of the institution;
- ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment;
- ensuring that processes are in place to monitor and evaluate the performance and effectiveness of the institution against its plans and approved key performance indicators;

- establishing processes to monitor and evaluate the performance and effectiveness of the governing body itself;
- appointing the Vice-Chancellor, as chief executive, and putting in place suitable arrangements for monitoring his/her performance;
- appointing a Clerk to the governing body and ensuring that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability;
- acting as the employing authority for all staff in the institution and ensuring the establishment of an appropriate human resources strategy;
- ensuring that appropriate provisions are in place for the general welfare and discipline of students;
- safeguarding the institution's assets, property and estate, and its reputation and values; and
- approving the annual budget and financial statements, and publishing audited financial statements for each financial year.

In respect of its obligations for financial management issues, the Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and the group and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act, the Statement of Recommended Practice Accounting for Further and Higher Education and relevant accounting standards.

In addition, in accordance with the Office for Students terms and conditions of funding for higher education institutions and in accordance with other relevant regulatory obligations, the Board of Governors is required to ensure (through its designated office holder) that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the University and the group and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;

applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University and the group will continue in operation.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the Office for Students Terms and conditions of funding for higher education institutions or other relevant regulatory agreements between the University and the respective funding bodies;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and the group and prevent and detect fraud; and
- secure the economical, efficient, and effective management of the University and the group's resources and expenditure.

Delivery of public benefit

Through a diverse range of innovative, enterprising and pioneering activity across NTU, the University is positively enhancing the experience of both our students and colleagues, and further impacting on our position within the local community, nationally and globally.

The University's ambition is for all NTU students to excel in developing the knowledge, skills, and resilience to play the positive role in society they envisage for themselves. By integrating the development of intellectual capability, vocational skills, work experience and personal insight into the design of all NTU courses, we will enable all students to personalise their learning, combining theoretical rigour, practical relevance, and personal development.

At NTU, we employ over 4,000 people in the local community. However, the University's wider activities are estimated to support over 6,000 additional jobs in Nottingham.

NTU plays a leading role in the social, cultural, economic and environmental development of the City, East Midlands and UK. By developing strategic relationships with civic and commercial partners we are able to engage with a wide range of organisations in order to enhance their prospects and those of our students.

The University makes a significant contribution to the cultural life of the city through our relationships with local organisations such as Nottingham Contemporary, Nottingham Playhouse, and the New Art Exchange. NTU's cultural facilities, including Bonington Gallery, University Hall and Metronome welcome members of the public and offer a dynamic cultural programme. The University owns Notts TV, which is dedicated to championing Nottinghamshire. It holds the sole licence to broadcast local television and attracts 300,000 regular viewers every week. NTU Sport offers access to the University's first-class sporting facilities to the public, supporting both team sports and individual use.

NTU is committed to supporting the economic development of the region and works closely with the Local Enterprise Partnership, D2N2, on projects such as the High Level Skills programme. Accessing European Social Funds, the programme has delivered new micro-accredited short courses up to and including Level 7, covering subjects that reflect local employers and sector needs. We have developed new ways to increase awareness and engagement amongst underrepresented groups and businesses and have forged partnerships with specialist organisations, such as B-Global, Nottingham's black-led business network, to share Equality Diversity and Inclusion (EDI) best practice.

Specific examples of NTU's impact through our work with business includes:

- The Dryden Enterprise Centre is NTU's space for entrepreneurs, founders, SMEs and start-ups to start, grow and scale. In the last year, it has supported 115 existing businesses and over 1,000 people to develop their business ideas and to grow their enterprises.
- NLS Legal, part of Nottingham Law School, offers a specialist business and enterprise service to provide free legal advice and support to local businesses. NLS Legal operates as a fully regulated law firm and won the prestigious LexisNexis Law Firm of the Year award in 2022.
- Our economic programmes help businesses access graduates, innovate and grow. Longitudinal studies show that companies which took part in our Enabling Innovation programme were 1.5 times more likely to survive in the past 5 years than other regional businesses. Our support programmes for local business attracted £4.3m of public investment in 2022/23. Throughout their five-year duration, these programmes have supported 2,135 businesses and trained 3,365 individuals.
- The University continues to develop our strategic relationships with Mansfield and Ashfield District Councils and we are committed to developing opportunities in North Nottinghamshire. One example of this is Enterprising Ashfield, a £7.6m comprehensive business support and training package to the towns of Kirkby-in-Ashfield and Sutton-in-Ashfield. The programme will support over 500 businesses and train 900 local residents and employees and is the only programme of its kind funded by the Government's Towns Fund.

Our Universities for Nottingham initiative, a collaboration with the University of Nottingham, the city and county councils, health partners, Vision West Nottinghamshire College and the D2N2 LEP sets out our shared Civic Agreement. The Agreement contains a programme of priorities and actions which we will champion in order to deliver positive change for Nottingham and Nottinghamshire. Themes include Economic Prosperity, Education, Environmental Sustainability, Health and Wellbeing, Community Connections. As part of Universities for Nottingham, NTU has been working with the University of Nottingham to undertake a study which emphasises the

significance of creative and digital businesses to Nottingham's economy, demonstrating that the sector is the fastest growing in the UK outside of London.

Promoting internationalisation and attracting talented students from around the world is a key part of NTU's global ambitions. As an international University, we nurture global citizenship, engage with the international research community, and attract talented students and staff from around the world, providing a vibrant multinational learning community. NTU offers international students a rich, varied learning experience and in turn encourages our home students to learn from them and enjoy the cultural experience they can bring.

NTU is committed to developing our local communities. We have supported Social Prescribing in Mansfield and Ashfield, the annual Festival of Science and Curiosity, a celebration of science, technology, engineering and maths, and we are delivering change through 'Getting School Ready'. This programme brings together stakeholders to build the life skills of young people, and empower parents and communities to become key agents of change in supporting children from their early years through to GCSE. We also work with approximately 120 community partners to offer volunteering for our students from one day to one year in duration.

Statement of Internal Control

This statement relates to the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities for the financial year to 31 July 2023 and the period up to the date of approval of these audited financial statements.

The Board of Governors is responsible for ensuring that a sound system of internal control is maintained. It has reviewed the effectiveness of these arrangements.

The principal results of risk identification, risk evaluation and the management review of the effectiveness of the arrangements are reported to, and reviewed by, the Board.

During the year the Audit and Risk Management Committee received regular reports on internal control and risk. Risk is identified and managed at both strategic and operational level. It is an ongoing process linked to the University's objectives.

University Executive Team risk theme leads are responsible for ensuring that controls are in place and high level risks are managed appropriately within the strategic risk themes. These are reviewed and reported on a quarterly basis to the University Executive Team and biannually to the Audit and Risk Management Committee.

The Executive Deans and Heads of Professional Services are accountable for the management of operational risks, which are reviewed by local management teams. The University Executive Team is provided with an oversight of operational risks through professional service and school reviews.

High scoring operational risks are escalated and reported to the Audit and Risk Management Committee via risk theme reports. The Chief Operating Officer and Registrar is accountable for the risk management function, supported by the Director of Business Development and Analytics and the Risk Manager. Local risk leads support the identification and reporting of operational risks.

The approach to internal control is risk-based. It includes an evaluation of the likelihood and impact of risks becoming a reality. Review procedures cover business, operational, compliance and financial risk. Risk assessment and internal control are embedded in ongoing operations.

The University's external and internal auditors operate in accordance with the requirements of the Audit Code of Practice (as part of the Office for Students terms and conditions of funding for higher education institutions). As such they report regularly to the University's Audit and Risk Management Committee on the state of the internal control environment and the University's performance in the delivery of value for money.

It is the Board's opinion that during the financial year and after the year end but before the signing of these financial statements, no significant internal control weaknesses or failures have arisen that should be disclosed.

Membership of the Board of Governors

Members of the Board of Governors are also the Trustees of the University for the purposes of charity law.

The members of the Board (the Trustees) who served at any time during the financial year to July 2023 and until the date the financial statements were formally approved were:

Independent and External Co-opted Governors

C Wayman, Chair (appointed as Chair on 1 August 2023)
G Love, Deputy Chair (appointed as Deputy Chair on 1 August 2023)
N Goulden, Chair (retired 30 September 2023)
Baroness D Warwick, Deputy Chair (retired 30 September 2023)
R Bennett (appointed 1 September 2023)
M Dayal
N Ebbs
I Ellis (retired 30 September 2023)
Dr A Emuwa
S Gregory (appointed 1 September 2022)
L Holder
P Kenyon (appointed 1 September 2023)
C Leviton (appointed 1 September 2023)
J Nelson
G Walker (appointed 1 September 2023)
S Walker-Smith (retired 30 September 2023)
D Williams
Dr D Wilson
O Woodley (retired 30 September 2023)

Academic Board member

M Marsden (appointed 1 December 2022)
A Brown (retired 31 November 2022)

Student nominee

A O'Hara (appointed 1 July 2023)
B Wills (retired 30 June 2023)

Professional Services staff member

S V Murcott

Vice-Chancellor

Professor E W Peck

Chief Operating Officer and Registrar

S Denton

C Wayman
Chair

Professor E W Peck
Vice-Chancellor

28 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF NOTTINGHAM TRENT UNIVERSITY

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Nottingham Trent University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows and Notes to the Accounts, 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).

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

Independence

We are independent of the Group and 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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and 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 board members with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 or a material misstatement of the other information. 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.

Opinion on other matters required by the Office for Students ("OfS"), UK Research and Innovation (including Research England), the Education and Skills Funding Agency ("EFSA"), and the Department for Education

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 relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF NOTTINGHAM TRENT UNIVERSITY (CONTINUED)

- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The University's grant and fee income, as disclosed in note 6 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 36 to the accounts, has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Primary responsibilities of the Board of Governors statement, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Group and 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 Board of Governors either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- our understanding of the Group and the sector in which it operates;
- discussion with management, those charged with governance and the Audit and Risk Management Committee;
- obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- direct representation from the Accountable Officer.

We considered the significant laws and regulations to be Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be health and safety legislation, the Bribery Act 2010, data protection and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- review of financial statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF NOTTINGHAM TRENT UNIVERSITY (CONTINUED)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
 - detecting and responding to the risks of fraud; and
 - internal controls established to mitigate risks related to fraud.
- review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the posting of manual journals to material revenue streams and the recognition of tuition fee revenue in line with course dates.

Our procedures in respect of the above included:

- in addressing the risk of fraud through improper income recognition, we tested the appropriateness of certain journals to material revenue streams, tested the application of cut-off and revenue recognition for a sample of students and re-performed the deferred income calculation for tuition fees;
- in addressing the risk of fraud through management override of controls, testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation and ensuring the University processes and controls had been followed; and
- assessing significant estimates made by management for bias, including bad debt provision, useful economic lives of both intangible and tangible fixed assets, the valuation of land and buildings and investment properties, the incremental borrowing rate for finance leases, and the assumptions applied in defined benefit pension calculations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the board members as a body, for our audit work, for this report, or for the opinions we have formed.

Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK
Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Accounting Policies

for the year ended 31 July 2023

1. Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention, modified to include certain fixed assets at fair value, and in accordance with Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. Additionally, the financial statements conform to the guidance published by the Office for Students. The financial statements have been prepared on a going concern basis.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

2. Basis of consolidation

The consolidated financial statements incorporate those of the University and all its subsidiaries for the financial year to 31 July 2023 and include the results of subsidiaries acquired or disposed of during the period in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of Nottingham Trent University Union of Students as it is a separate unincorporated body in which the University does not exert control or dominant influence over their commercial and financial policy decisions.

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

3. Recognition of income

Tuition fee income is stated gross of any expenditure which is not a discount and recognised in the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying, including all fees payable by students or their sponsors. Where the amount of tuition fee is reduced by a discount for prompt payment, income is shown net of discount. Bursaries are accounted for gross as expenditure and not deducted from income.

Income from the sale of goods or services is recognised in the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customer or the terms of the contract has been satisfied.

Investment income including dividends, other than that associated with endowments, is recognised on a receivable basis.

Funds the University receives and disburses as a 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 and has no economic benefit related to the transaction. Where the University has applied this policy to certain funds received during the year they are disclosed in note 35.

Grant Funding

Government revenue grants including recurrent funding council block grant and research grants are recognised in income over the periods the University recognises the related costs for which the grant is intended to compensate.

Capital (non-recurrent) government grants, received in respect of the purchase or construction of fixed assets, are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates.

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants, including research grants, from non-government sources (non-exchange transactions) are recognised when the University is entitled to the income and performance conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors and released to income as the conditions are met.

Donations and endowments

Non-exchange transactions without performance related conditions are donations or endowments as appropriate.

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

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

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

There are two main types of donations and endowments identified in reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the right to use the capital.

4. Accounting for retirement benefits

The University participates, principally, in two pension schemes, the Teachers' Pension Scheme (TPS) for academic staff and the Local Government Pension Scheme (LGPS) for non-academic staff. The schemes are defined benefit schemes, independently administered and contracted out of the State Second Pension (S2P).

Because of the mutual nature of the TPS, the scheme cannot allocate assets to individual contributing institutions and a scheme-wide contribution rate is set. As such, the University is exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of underlying assets and liabilities of the scheme and, therefore, as required by FRS 102(28), accounts for the scheme as if it were a defined contribution scheme.

For the LGPS defined benefit scheme the amounts charged to comprehensive income and expenditure are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost of the net defined benefit liability is charged to comprehensive income and expenditure and included within interest and other finance costs. Remeasurement comprising of actuarial gains and losses and return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each statement of financial position date.

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Further details of the above pension schemes are given in note 33.

5. Short term employment benefits

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

6. Finance Leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Leased assets acquired by way of a finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7. 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.

8. Foreign currency

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the income statement

9. Intangible assets

Intangible assets are amortised over 10 years representing the remaining estimated economic life of the assets.

Statement of Accounting Policies (continued)
for the year ended 31 July 2023

10. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land and assets-under-construction, at rates calculated to write-off the cost or valuation of each asset less any residual value, on a straight-line basis over its expected useful life as follows:

Freehold buildings	10 to 50 years
Plant & equipment	3 to 20 years
Fixtures & fittings	10 years
Vehicles	4 years

Equipment purchased for specific research grants is depreciated over the shorter of its estimated useful life or the remaining life of the research grant, with the related grant income being credited over the same period.

Tangible fixed asset additions are capitalised where the cost of such assets exceeds £25,000. Items costing less than this amount are expensed in the year of purchase.

Land and buildings

Land and building assets in existence as at 31 July 2014 were revalued to fair value on transition to FRS 102 as at 1 August 2014. Subsequent additions to Land and building after this date but before 31 July 2015 have also been subject to revaluation. The fair value of land and buildings was determined from either market-based evidence or depreciated replacement cost by appraisal by independent qualified valuers in accordance with the Royal Institute of Chartered Surveyors Valuation – Professional Standards January 2014, in particular, UK Valuation Standards 1, 2 and 4.

Fair value is defined as the amount for which an asset could be exchanged, a liability settled or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

Depreciation and impairment losses, if applicable, are subsequently charged on the revalued amounts.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred up to 31 July. The assets are not depreciated until they are brought into use.

11. Investments

Investments in subsidiaries and associates are measured at cost less impairment.

Investments in publicly traded ordinary shares are measured at fair value.

Current asset investments, which may include listed investments, are held at fair value with movements recognised in Surplus/Deficit before tax.

12. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

13. Short term investments

Cash deposits with a maturity of more than three months are defined as short term investments.

14. Cash and cash equivalents

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

Cash equivalents are held for the purpose of meeting short term cash commitments and defined as short term (maturity being less than three months), highly liquid investments that are readily convertible to cash with insignificant risk in change of value.

15. Provisions and contingent liabilities

Provisions are recognised in the financial statements when:

- (a) the University has a present obligation (legal or constructive) as a result of a past event;
- (b) it is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the Institution a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

Statement of Accounting Policies (continued)
for the year ended 31 July 2023

16. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a restricted expendable fund.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

17. Financial instruments

Financial assets

Basic 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income

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

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

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

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

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

Statement of Accounting Policies (continued)
for the year ended 31 July 2023

18. Taxation

The University and its subsidiary, Nova Centric Limited are considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore meet the definition of a charitable organisation for UK corporation tax purposes. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

Nottingham Consultants Limited, Confetti Constellations Limited, Nottingham Conference Centre Limited, NTU Temporary Staff Limited, MTIF BEZ Limited and Notts TV Limited are not subject to these exemptions and are liable for corporation tax on profits or gains arising. However, under a Gift Aid arrangement with the University the subsidiary companies transfer all their taxable profits, where allowable under regulation, to the University to minimise the payment of corporation tax.

The University is partially exempt in respect of Value Added Tax, so that it can only recover 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.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered.

19. Accounting judgements and estimates

In preparing these financial statements, management has made the following judgements:

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 33 of the financial statements, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Considering whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as future market conditions and the remaining life of the asset.

Investment properties are professionally valued periodically, using yield methodology. There is an inevitable degree of judgement involved in that the property is unique and the value can only ultimately be tested in the market itself. Key inputs in the valuation were annual rent per square metre and capitalisation rate.

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance conditions have been met in respect of commercial research income, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

When calculating bad debt provisions, estimates are made taking into account historical experience, current trends and other relevant factors.

20. Going concern

In preparing the financial statements, the Governors have considered going concern. Financial sustainability is a key foundation for the Strategy, and the University has already taken a series of actions to ensure financial sustainability, including the preparation of a five year plan.

The budget for 2023/24 was tested for resilience against key risks relating to income and costs. Some 82% of total income relates to student fees and therefore modelling focussed primarily on student enrolments and inflationary cost pressures.

This scenario modelling includes detailed cashflows to July 2025. The latest forecast for 2023/24 suggests that budgeted EBITDA will be achieved.

Taking into account the above, the Board believe that whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the University's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The Board therefore considers it appropriate for the accounts to be prepared on a going concern basis.

Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2023

		Year ended 31 July 2023		Year ended 31 July 2022	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	356,957	351,523	344,327	339,455
Funding body grants	2	30,662	30,662	25,427	25,427
Research grants and contracts	3	10,032	10,032	9,091	9,091
Other income	4	28,334	21,072	24,474	17,868
Investment income	5	7,422	9,050	554	1,332
Donations and endowments	6	542	765	264	327
Total income		433,949	423,104	404,137	393,500
Expenditure					
Staff costs	7	254,547	239,830	254,932	242,070
Other operating expenses	8	122,842	125,428	105,884	110,702
Interest and other finance costs	9	6,709	6,709	10,074	10,074
Intangible amortisation	11	544	-	554	-
Depreciation	12	25,839	23,968	24,168	22,642
Total expenditure		410,481	395,935	395,612	385,488
Surplus before other gains and share of operating surplus of associates		23,468	27,169	8,525	8,012
(Loss)/Gain on disposal of fixed assets		(367)	(367)	7,454	7,454
Gain on sale of investments		-	-	-	-
Gain/(loss) on investments		353	383	(193)	(98)
Surplus before tax		23,454	27,185	15,786	15,368
Taxation	10	(47)	-	83	-
Surplus for the year		23,407	27,185	15,869	15,368
Other comprehensive income					
Actuarial gain in respect of pension schemes	21	138,624	138,624	302,389	302,389
Total comprehensive income for the year		162,031	165,809	318,258	317,757
Represented by:					
Endowment comprehensive income for the year	23	758	758	(165)	(165)
Restricted comprehensive loss for the year	24	(15)	(15)	(129)	(129)
Unrestricted comprehensive income for the year		161,288	165,066	318,552	318,051
Attributable to the University		162,031	165,809	318,258	317,757
Result for the year attributable to the University		23,407	27,185	15,869	15,368

All items of income and expenditure relate to continuing activities.

The accompanying notes on pages 27 to 47 form an integral part of the financial statements.

Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2023

Consolidated	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2021	4,839	288	6,854	11,981
Surplus from the income & expenditure statement	(165)	(129)	16,163	15,869
Other comprehensive income	-	-	302,389	302,389
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	(165)	(129)	318,552	318,258
Balance at 1 August 2022	4,674	159	325,406	330,239
Surplus from the income & expenditure statement	758	(15)	22,664	23,407
Other comprehensive income	-	-	138,624	138,624
Release of restricted capital funds spent in year	-	-	-	-
Transfer from unrestricted reserve to endowment reserve	10,184	-	(10,184)	-
Total comprehensive income for the year	10,942	(15)	151,104	162,031
Balance at 31 July 2023	15,616	144	476,510	492,270

University	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
Balance at 1 August 2021	4,839	288	(2,605)	2,522
Surplus from the income and expenditure statement	(165)	(129)	15,662	15,368
Other comprehensive income	-	-	302,389	302,389
Release of restricted capital funds spent in year	-	-	-	-
Total comprehensive income for the year	(165)	(129)	318,051	317,757
Balance at 1 August 2022	4,674	159	315,446	320,279
Surplus from the income and expenditure statement	758	(15)	26,442	27,185
Other comprehensive income	-	-	138,624	138,624
Release of restricted capital funds spent in year	-	-	-	-
Transfer from unrestricted reserve to endowment reserve	10,184	-	(10,184)	-
Total comprehensive income for the year	10,942	(15)	154,882	165,809
Balance at 31 July 2023	15,616	144	470,328	486,088

The accompanying notes on pages 27 to 47 form an integral part of the financial statements.

Consolidated and University Statement of Financial Position

As at 31 July 2023

	Note	As at 31 July 2023		As at 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	11	1,145	-	1,689	-
Fixed assets	12	484,812	457,995	470,124	438,465
Investments	13	11,867	11,867	924	924
Investment in subsidiaries	13	-	4,948	-	4,948
Investments in associates	13,14	241	241	270	241
		498,065	475,051	473,007	444,578
Current assets					
Stock	15	525	286	497	311
Debtors: amounts falling due within one year	16	32,667	31,386	21,699	20,224
Debtors: amounts falling due after one year	17	3,174	22,329	3,174	26,126
Investments	18	80,000	80,000	30,000	30,000
Cash and cash equivalents	25	77,710	73,584	162,340	156,674
		194,076	207,585	217,710	233,335
Less: Creditors: amounts falling due within one year	19	(70,925)	(67,602)	(65,397)	(62,553)
Net current assets		123,151	139,983	152,313	170,782
Total assets less current liabilities		621,216	615,034	625,320	615,360
Creditors: amounts falling due after more than one year	20	(113,433)	(113,433)	(154,627)	(154,627)
Provisions					
Pension provisions	21	(14,167)	(14,167)	(139,108)	(139,108)
Other provisions	21	(1,346)	(1,346)	(1,346)	(1,346)
Total net assets		492,270	486,088	330,239	320,279
Restricted Reserves					
Income and expenditure reserve - endowment reserve	23	15,616	15,616	4,674	4,674
Income and expenditure reserve - restricted reserve	24	144	144	159	159
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		476,510	470,328	325,406	315,446
Total Reserves		492,270	486,088	330,239	320,279

The accompanying notes on pages 27 to 47 form an integral part of the financial statements.

The financial statements on pages 18 to 47 were approved by the Board of Governors on 28 November 2023 and signed on its behalf on that date by:

C Wayman
Chair of Board of Governors

Professor E W Peck
Vice Chancellor

Consolidated Statement of Cash Flows

Year ended 31 July 2023

		Year ended 31 July 2023 Consolidated £'000	Year ended 31 July 2022 Consolidated £'000
	Notes		
Cash flow from operating activities			
Surplus for the year		23,407	15,869
Adjustment for non-cash items			
Depreciation	12	25,839	24,168
Amortisation of intangibles	11	544	554
(Gain)/loss on investments	13/14	(353)	193
Increase in stock	15	(28)	(82)
Increase in debtors		(13,591)	(384)
Increase in creditors		5,685	8,061
Increase in pension provision		13,683	38,712
Increase/(decrease) in other provisions	21	-	(2,670)
Change in deferred tax asset/provision	22	47	(83)
Adjustment for investing or financing activities			
Investment income	5	(7,422)	(554)
Interest payable		2,236	3,754
Endowment income	6	(410)	(50)
Loss/(profit) on the sale of fixed assets		367	(7,354)
Loss/(profit) on the sale of investments		-	(100)
Capital grant income	30	(2,237)	(2,066)
Net cash inflow from operating activities		<u>47,767</u>	<u>77,968</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets		2,516	4,871
Capital grants receipts	30	1,153	3,252
Disposal of non-current asset investments		200	330
Investment income	5	7,422	554
Payments made to acquire fixed assets		(41,165)	(34,968)
Payments made to acquire non-current investments		(10,560)	-
New deposits	18	(50,000)	(10,000)
Net cash outflow from investing activities		<u>(90,434)</u>	<u>(35,961)</u>
Cash flows from financing activities			
Interest paid		(2,175)	(3,694)
Endowment cash received	6	410	50
Repayments of amounts borrowed		(40,198)	(223)
Net cash outflow from investing activities		<u>(41,963)</u>	<u>(3,867)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(84,630)</u>	<u>38,140</u>
Cash and cash equivalents at beginning of the year	25	162,340	124,200
Cash and cash equivalents at end of the year	25	77,710	162,340

The accompanying notes on pages 27 to 47 form an integral part of the financial statements.

Notes to the Accounts
for the year ended 31 July 2023

		Year Ended 31 July 2023		Year Ended 31 July 2022	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts					
Further education		5,110	318	4,855	430
Undergraduate tuition - Home/EU		250,175	250,124	258,093	258,052
Undergraduate tuition - Overseas		32,776	32,776	28,555	28,555
Postgraduate tuition - Home/EU		15,253	15,253	18,580	18,580
Postgraduate tuition - Overseas		52,793	52,793	33,624	33,624
Other fees and support grants		850	259	620	214
		356,957	351,523	344,327	339,455
2 Funding body grants					
Recurrent grant					
Office for Students		13,128	13,128	12,212	12,212
Research England		8,643	8,643	6,086	6,086
Education and Skills Funding Agency		2,328	2,328	2,219	2,219
Office for Students capital grant		1,622	1,622	1,521	1,521
UKRI capital grant		50	50	38	38
Specific grants					
UKRI		3,673	3,673	2,398	2,398
Office for Students		542	542	308	308
National College for Teaching and Leadership		112	112	96	96
Dept of Health and Social Security		-	-	9	9
Other bodies capital grant		564	564	540	540
		30,662	30,662	25,427	25,427
3 Research grants and contracts					
Research councils and charities		4,225	4,225	3,896	3,896
Government (UK and overseas)		3,788	3,788	3,466	3,466
Industry and commerce		2,019	2,019	1,729	1,729
		10,032	10,032	9,091	9,091
4 Other income					
Residences, catering and conferences		9,533	8,697	8,204	7,804
Other revenue grants		6,784	6,682	4,571	4,517
Other income generating activities		12,017	5,693	11,699	5,547
		28,334	21,072	24,474	17,868
Other revenue grants in the year ended 31 July 2022 includes £58,000 in relation to Coronavirus Job Retention Scheme (University only £27,000).					
5 Investment income					
Investment income on expendable endowments	23	166	166	22	22
Other investment income		3,595	3,595	392	392
Other interest receivable		3,661	5,289	140	918
		7,422	9,050	554	1,332
6 Donations and endowments					
New endowments	23	410	410	50	50
Donations with restrictions	24	99	99	66	66
Unrestricted donations		33	256	148	211
		542	765	264	327
Note The source of grant and fee income, included in notes 1 to 4 is as follows:					
Grant income from the OfS		15,292	15,292	14,041	14,041
Grant income from other bodies		30,167	30,065	23,319	23,265
Fee income for taught awards (exclusive of VAT)		346,722	346,556	333,368	333,327
Fee income for research awards (exclusive of VAT)		5,645	5,645	4,745	4,745
Fee income from non-qualifying courses (exclusive of VAT)		6,609	1,341	5,274	442
Total grant and fee income		404,435	398,899	380,747	375,820

Notes to the Accounts (continued)
for the year ended 31 July 2023

		Year Ended 31 July 2023		Year Ended 31 July 2022	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs					
<i>Employee costs:</i>					
Wages and salaries		191,990	178,412	174,258	162,449
Social security costs		19,614	18,757	18,067	17,303
Other pension costs		32,921	32,639	29,423	29,134
Pension operating costs	21	10,022	10,022	33,184	33,184
Total		254,547	239,830	254,932	242,070

Emoluments of the Vice-Chancellor:

	2023 £'000	2022 £'000
Salary	295	277
Payment in lieu of pension contributions	31	44
Bonus	28	-
Discretionary payment	8	-
Health care benefit	2	2
	364	323
Pension contributions including contributions to USS	33	15
	397	338

† Bonus is the bonus paid in year. No bonus was paid in the year ended 31 July 2022.

Remuneration of other higher paid staff, excluding employer's pension contributions:

	No.	No.
£100,000 to £104,999	6	8
£105,000 to £109,999	10	6
£110,000 to £114,999	2	3
£115,000 to £119,999	5	6
£120,000 to £124,999	3	1
£130,000 to £134,999	2	2
£135,000 to £139,999	1	2
£140,000 to £144,999	-	1
£145,000 to £149,999	3	2
£150,000 to £154,999	1	1
£155,000 to £159,999	2	2
£160,000 to £165,999	-	1
£165,000 to £169,999	1	-
£190,000 to £194,999	1	1
£225,000 to £229,999	1	-

No remuneration was paid to the Chair of the Board of Governors nor to other non-executive members of the Board and its subsidiary undertakings.

Average weekly staff numbers (including senior post-holders) employed during the period:

	2023 FTE	2022 FTE
Academic departments	1,859	1,856
Academic support services	728	689
Other support services	162	210
Administration and central services	1,182	1,023
Estates	419	417
Other	51	20
	4,401	4,215

Compensation for loss of office - all staff

	2023 £'000	2022 £'000
Compensation paid/payable recorded within staff costs	520	547
	2023	2022
Number of people to whom this was payable	38	25

Compensation was paid in cash from general University funds.

Notes to the Accounts

for the year ended 31 July 2023

7 Staff costs (continued)

Key management personnel

Key management personnel are those members of the University Executive Team, having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation (salaries and benefits, including any employer's pension contributions) paid to key management personnel as follows:

	2023	2022
	£'000	£'000
Key management personnel compensation	2,085	2,026

Trustees

No trustee has received any remuneration/waived payments from the group during the year (2022: None).

The total expenses paid to or on behalf of the 25 trustees was £8,531 (2022: £5,605 to 22 trustees). This represents travel and subsistence expenses incurred personally by the trustees in attending Board of Governors and Committee meetings and Charity events in their official capacity.

Head of provider pay

The Vice-Chancellor does not receive any taxable benefits. He receives a non taxable benefit in the form of an annual health care assessment with a value of £1,539 (2022: £1,533).

The Vice-Chancellor's remuneration is reviewed annually by the Remuneration Committee, one of the sub-committees of the Board of Governors. The Remuneration Committee was established by the Board of Governors on 1 May 2018, taking over relevant duties from the former Remuneration and Employment Policy Committee.

The Vice-Chancellor is not a member of the Remuneration Committee. The Vice-Chancellor will normally attend the Committee's meetings but will withdraw from any discussions with regard to his own salary or other potential benefits. The Remuneration Committee is chaired by a senior independent member of the Board of Governors, and includes both a staff and student voice within its membership. In addition to five independent members of the Board of Governors, the Academic Board member on the Board of Governors (staff voice) and a recent NTU student (student voice) appointed by the Chair of the Board with the advice of the Nottingham Trent Student Union are both full members. The Remuneration Committee can draw on the expertise of an independent adviser.

When considering reward proposals for the Vice-Chancellor the Remuneration Committee considered the following indicators:

- performance in support of the University's strategic objectives and KPIs in the areas of teaching, research, management and administration, leadership of staff, partnerships and external relations internationally, nationally and locally and major initiatives and projects;
- the size and complexity of the University;
- the breadth, degree of complexity and level of challenge of the Vice-Chancellor's role;
- the nature of the HE markets and general issues of pay restraint, recruitment and retention challenges within the HE sector;
- the need to remain market competitive and reward exceptional, evidenced performance as well as retain and motivate for the future success of the University; and
- Benchmarking data in respect of comparator institutions, geographical location and specialism.

The data that supported these indicators were drawn from the following areas:

- University and Colleges Employer Associations Senior Staff Remuneration Survey;
- Committee of University Chairs' Vice-Chancellor Salary Survey; and
- in addition nationally determined job evaluation schemes, nationally negotiated pay awards and nationally recognised higher education pension schemes were all considered by the Committee.

The head of the provider's basic salary is 8.3 (2022: 8.1) times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff. The head of the provider's total remuneration is 10.4 (2022: 9.1) times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. The provisions of paragraph 12d of OfS accounts direction 2019 have been adopted.

Further details on the pay, expenses and payments in lieu of pension contributions for the Vice-Chancellor are available on the NTU website at <https://www.ntu.ac.uk/about-us/governance/vice-chancellor/vice-chancellors-salary>

Notes to the Accounts
for the year ended 31 July 2023

	Note	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Analysis of other operating expenses by activity					
Academic departments		32,580	41,706	27,839	37,269
Academic services		27,676	26,427	24,076	23,272
Administration and central services		42,773	40,523	34,923	34,571
Premises		11,997	10,081	12,656	11,321
Residences, catering and conferences		2,163	1,703	491	127
Research grants and contracts		4,004	3,742	4,303	4,142
Other expenses		1,649	1,246	1,596	-
		122,842	125,428	105,884	110,702
<i>Other operating expenses include:</i>					
External auditors remuneration in respect of audit services		193	143	95	68
External auditors remuneration in respect of non-audit services		22	2	25	2
Operating lease rentals - land and buildings		1,181	490	1,319	867
- other		610	610	507	507
9 Interest and other finance costs					
Bank interest on loans		2,235	2,235	3,754	3,754
Net charge on pension scheme	21	4,474	4,474	6,320	6,320
		6,709	6,709	10,074	10,074
10 Taxation					
Recognised in the statement of comprehensive income					
Current tax					
Current tax expense		-	-	-	-
Adjustment in respect of previous years		-	-	-	-
Current tax expense		-	-	-	-
Deferred tax					
Origination and reversal of timing differences		(47)	-	18	-
Reduction in tax rate		-	-	-	-
Recognition of previously unrecognised tax losses		-	-	65	-
Deferred tax (credit)/charge		(47)	-	83	-
Total tax (credit)/charge		(47)	-	83	-
The tax (credit)/charge is represented in the consolidated statement of financial position through the net financial impact of the increase in the provision for deferred tax (Note 22).					
11 Intangible assets					
Brand					
Opening Balance		1,689	-	2,243	-
Additions		-	-	-	-
Amortisation charge for the year		(544)	-	(554)	-
At 31 July		1,145	-	1,689	-

Notes to the Accounts
for the year ended 31 July 2023

12 Fixed Assets

	Investment Land & Buildings £'000	Freehold Land and Buildings £'000	Fixtures and fittings £'000	Furniture and equipment £'000	Assets under course of construction £'000	Total fixed assets £'000
Consolidated						
Cost or valuation						
At 1 August 2022	5,830	421,662	75,444	91,615	13,990	608,541
Additions	-	2,300	2,691	13,163	22,940	41,094
Transfers	(5,830)	6,371	321	902	(1,764)	-
Disposals	-	-	(1,134)	(3,601)	-	(4,735)
At 31 July 2023	-	430,333	77,322	102,079	35,166	644,900
Consisting of valuation as at:						
1 August 2014	-	271,159	-	-	-	271,159
31 July 2020	-	-	-	-	-	-
Cost	-	159,174	77,322	102,079	35,166	373,741
	-	430,333	77,322	102,079	35,166	644,900
Depreciation						
At 1 August 2022	-	52,414	37,272	48,731	-	138,417
Charge for the year	-	8,373	4,777	12,689	-	25,839
Disposals	-	-	(567)	(3,601)	-	(4,168)
At 31 July 2023	-	60,787	41,482	57,819	-	160,088
Net book value						
At 31 July 2023	-	369,546	35,840	44,260	35,166	484,812
At 31 July 2022	5,830	369,248	38,172	42,884	13,990	470,124
University						
Cost or valuation						
At 1 August 2022	5,830	390,715	72,991	82,625	12,225	564,386
Additions	-	6,532	2,518	12,074	22,941	44,065
Transfers	(5,830)	6,270	321	953	(1,714)	-
Disposals	-	-	(1,133)	(3,601)	-	(4,734)
At 31 July 2023	-	403,517	74,697	92,051	33,452	603,717
Consisting of valuation as at:						
1 August 2014	-	271,159	-	-	-	271,159
31 July 2020	-	-	-	-	-	-
Cost	-	132,358	74,697	92,051	33,452	332,558
	-	403,517	74,697	92,051	33,452	603,717
Depreciation						
At 1 August 2022	-	47,504	34,856	43,561	-	125,921
Charge for the year	-	7,443	4,821	11,704	-	23,968
Disposals	-	-	(566)	(3,601)	-	(4,167)
At 31 July 2023	-	54,947	39,111	51,664	-	145,722
Net book value						
At 31 July 2023	-	348,570	35,586	40,387	33,452	457,995
At 31 July 2022	5,830	343,211	38,135	39,064	12,225	438,465

A full valuation as at 1 August 2014 of the University's land and buildings (including those of its subsidiaries, where applicable) was carried out by an independent and professionally qualified Valuer. In addition, building assets transferred at cost from Assets under the course of construction during the period 1st August 2014 to 31st July 2015 were also subject to full valuation.

The investment land and buildings at 31 July 2022 were revalued as at 31 July 2020 following a professional revaluation. In February 2023 the property ceased to be an investment property and was transferred to freehold land and building for use within the business. At 31 July 2022 investment land and buildings included £490,000 in respect of freehold land which is not depreciated.

Notes to the Accounts

for the year ended 31 July 2023

12. Fixed Assets (continued)

At 31 July 2023, freehold land and buildings included £42,462,976 (2022 - £41,972,976) in respect of freehold land which is not depreciated. There are no amounts held under finance lease.

On 2 August 1999 the University signed a deed preserving the 'further education asset base' inherited following its merger with Brackenhurst College on 1 April 1999. In the event of a total failure to preserve the asset base, the Education and Skills Funding Agency shall have the right to call for the repayment of the 'further education asset base', being the greater of the value of indexed-based 'chattels' less 'liabilities' or the total cost of replacing the land asset with accommodation and facilities of comparable quality, size and location.

In 1999/2000 the University entered into a lease with a developer for the provision of a hotel/gym complex on its Goldsmith Square car park. The lease is for 50 years with breaks at 15 and 25 years. At the conclusion of the lease, the whole of the property will revert to the University.

During 2007/08 the University entered into an amended lease agreement with UPP Group Limited and UPP (Nottingham) Limited for the majority of its student residences. The University received consideration totalling £11,032,000 in 2007/08 in respect of this transaction, including a 20% shareholding in UPP (Nottingham) Limited and an entitlement to loan notes to be issued by UPP (Nottingham) Limited. In 2009/10 the University received consideration totalling £652,000 in respect of an additional entitlement to loan notes. The leases are for 40 years maturing in 2048 and at the conclusion of the leases the properties will revert to the University. In 2009/10 the University entered into a lease agreement with UPP (Clifton) Limited for the provision of a new student residence on the Clifton campus. The University received a gross consideration totalling £7,333,000, which net of costs totalled £6,880,000. The transaction included a 20% shareholding in UPP (Clifton) Limited and an entitlement to loan notes to be issued by UPP (Clifton) Limited. The lease is co-terminus with the existing UPP agreements and at the conclusion of the lease the properties will revert to the University.

In 2011/12 the University entered into a new lease agreement with UPP (Byron) Limited for the provision of a new student residence and new Students Union building on the City campus. The University received a premium of £1,833,000 in respect of the agreement. The transaction includes a 20% shareholding in UPP (Byron) Limited and an entitlement to loan notes to be issued by UPP (Byron) Limited. On completion of the building in 2013/14 the University received a further lease premium of £11,813,000 as a fixed asset rather than cash.

13 Non-current Investments

	Subsidiary companies	Investment in joint ventures and associates	Other Investments	Total
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2022	-	270	924	1,194
Additions	-	-	10,560	10,560
Fair value adjustments	-	-	383	383
Impairments	-	(29)	-	(29)
At 31 July 2023	-	241	11,867	12,108
University				
At 1 August 2022	4,948	241	924	6,113
Additions	-	-	10,560	10,560
Fair value adjustments	-	-	383	383
At 31 July 2023	4,948	241	11,867	17,056

Other Investments

The Group holds 32,258 ordinary shares in Experian Plc (2022: 32,258) which were valued at £30.09 per share (2022: £28.6) as per the closing sell position on the London Stock Exchange as at 31 July 2023.

	Shareholding %	Cost £	Value £
Intelligent OMICS Limited	50	550	-
SiActive Limited	27	25	-

Notes to the Accounts

for the year ended 31 July 2023

13 Non-current Investments (continued)

Other Investments (cont'd)

The Group also holds shares in a number of companies which have been set up through The HIVE Initiative. Details of these investments have not been disclosed due to their insignificant nature.

Subsidiary Companies

The University owns 100% of the issued share capital of the following companies which are registered in England and Wales and operating in the UK.

Company Name	No. of Ord Shares	Cost of Investment £'000	Value of Investment £'000
Nottingham Law School Limited	1,667,000	1,667	-
Nottingham Consultants Limited	555,000	555	-
Nottingham Trent Residences 1 plc	5,000,004	2,500	-
Nottingham Trent International College Limited	1	-	-
Nottingham Conference Centre Limited	1	-	-
Confetti Constellations Limited	100	4,948	4,948
Notts TV Limited *			

In addition, the University is the sole subscriber to the following companies limited by guarantee, registered in England and Wales and operating in the UK

Company Name

NLS Legal Limited *

Nova Centric Limited

NTU Temporary Staff Limited *

MTIF (BEZ) Limited

* exempt from audit under the requirements of s479A of the Companies Act 2006

The registered office for all subsidiaries is 50 Shakespeare Street, Nottingham, NG1 4FQ.

14 Investment in joint ventures and associates

Company Name	Shareholding percentage	Consolidated	University	Consolidated	University
		2023 Value of Investment £'000	2023 Value of Investment £'000	2022 Value of Investment £'000	2022 Value of Investment £'000
Associate	%	£'000	£'000	£'000	£'000
UPP Clifton Limited	20	78	78	78	78
UPP Byron Limited	20	113	113	113	113
NET	n/a	50	50	50	50
Loreus Limited	10	-	-	-	-
Halo X-Ray Technologies Limited	37	-	-	-	-
ESITU Solutions Limited	49	-	-	29	-
		<u>241</u>	<u>241</u>	<u>270</u>	<u>241</u>

The Group's holdings in UPP Clifton Limited and UPP Byron Limited were a result of property lease financing arrangement considerations (see Note 12).

Associated companies are accounted for using the cost method. The value of investment in Loreus Limited is £10 (Ten pounds).

Notes to the Accounts

for the year ended 31 July 2023

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
15 Stock and stores in hand				
Finished goods	342	217	387	242
Goods for resale	183	69	110	69
	525	286	497	311

16 Debtors: amounts falling due within one year

Trade debtors	20,231	18,034	13,454	11,557
Amounts due by group undertaking companies	-	2,554	-	1,456
Deferred tax asset	145	-	192	-
Accrued Income	8,485	7,834	6,135	5,803
Prepayments	3,351	2,964	1,678	1,408
Other debtors	455	-	240	-
	32,667	31,386	21,699	20,224

17 Debtors: amounts falling due after more than one year

Loan notes	3,174	3,174	3,174	3,174
Amounts due by group undertaking companies	-	19,155	-	22,952
	3,174	22,329	3,174	26,126

The loan notes were received as part of the consideration for the lease agreements for UPP Clifton Limited and UPP Byron Limited. They are operative over the life of the concession.

18 Current Investments

Short term deposits	80,000	80,000	30,000	30,000
	80,000	80,000	30,000	30,000

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months but less than twelve months maturity at the statement of financial position date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2023 the weighted average interest rate of these fixed rate deposits was 3.52% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 113 days.

19 Creditors : amounts falling due within one year

	Note	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans		-	-	-	-
Salix Finance Loan	20	78	78	198	198
Amounts due to group undertaking companies		-	1,432	-	867
Trade creditors		7,093	5,090	5,851	4,678
Social security and other taxation payable		9,073	8,712	9,061	8,740
Other creditors		4,177	3,992	2,866	2,696
General accruals		20,343	18,796	22,752	21,166
Deferred income		30,161	29,502	24,669	24,208
		70,925	67,602	65,397	62,553

Deferred income

The following items of income which have been deferred until specific performance related conditions have been met.

Tuition fee income		22,691	22,601	15,580	15,481
Government non-recurrent grant income	30	2,236	2,236	2,208	2,208
Research grant income		2,740	2,740	3,401	3,401
Other grant income		535	495	1,199	1,180
Other income		1,959	1,430	2,281	1,938
		30,161	29,502	24,669	24,208

Notes to the Accounts
for the year ended 31 July 2023

	Note	Year Ended 31 July 2023		Year Ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
20 Creditors : amounts falling due after more than one year					
Other creditors		5	5	9	9
Government non-recurrent grant deferred income	30	69,425	69,425	70,537	70,537
		69,430	69,430	70,546	70,546
Salix Finance Loans		3	3	81	81
Bank loans		-	-	40,000	40,000
Other loans		44,000	44,000	44,000	44,000
Total bank and other loans		44,003	44,003	84,081	84,081
		113,433	113,433	154,627	154,627

Salix have been working with Universities since 2006, currently offering finance on behalf of the Department of Business, Energy and Industrial Strategy (BEIS) and previously through the joint-funded Revolving Green Fund Scheme 1 and 4 and with the Office for Students (OfS).

Analysis of bank and other loans

Due within one year

	78	78	198	198
Due between one and two years	3	3	78	78
Due between two and five years	-	-	3	3
Due in five years or more	44,000	44,000	84,000	84,000

Due after more than one year

	44,003	44,003	84,081	84,081
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Total debt

	44,081	44,081	84,279	84,279
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Analysis of debt by repayable date:

Loan repayable by 2023	-	-	110	110
Loan repayable by 2025	81	81	169	169
Loan repayable by 2038	-	-	40,000	40,000
Loan repayable by 2043	44,000	44,000	44,000	44,000
	44,081	44,081	84,279	84,279

Lender	Original loan £'000	Rate of Interest
Salix Finance Limited	1,490	0.00%
3.01% loan notes	44,000	3.01%
Total	45,490	

The 3.01% loan notes were issued on 4 June 2018 to The Lincoln National Life Insurance Company. The loan notes are due for repayment on 4 June 2043. The Salix loans are repayable in instalments over the loan period. All loans are unsecured.

The £40m loan from Royal Bank of Scotland was repaid on 11 October 2022.

Notes to the Accounts

for the year ended 31 July 2023

21 Provisions for liabilities and charges

Consolidated & University

	USS pension fund deficit obligation £'000	Enhanced pensions on termination £'000	DB pension obligations (Note 33) £'000	Total Pension Provisions £'000	Other provisions £'000
At 1 August 2022	6,640	10,442	122,026	139,108	1,346
Utilised in year	-	(813)	-	(813)	-
Movement in year - Income	-	-	-	-	-
Additions in year - Operating cost	(1,555)	-	11,577	10,022	-
Additions in year - Interest (note 9)	220	345	3,909	4,474	-
Actuarial gain	-	(1,112)	(150,984)	(152,096)	-
Notional surplus not recognised at year end	-	-	13,472	13,472	-
At 31 July 2023	5,305	8,862	-	14,167	1,346

USS pension fund

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 33.

Enhanced pensions on termination

The enhanced pensions on termination scheme is accounted for as a defined benefit scheme.

This relates to unfunded pension payments to which the university is committed.

The assumptions for calculating the provision for enhanced pensions on termination under FRS 102, are as follows:

Discount Rate	5.0%
Inflation Rate	<u>2.8%</u>

Other provision

The other provision relates to potential repayment of income.

22 Deferred taxation asset

Consolidated only

	2023 £'000	2022 £'000
Accelerated capital allowances	7	54
Short term timing differences	4	4
Tax losses carried forward and other deductions	134	134
	<u>145</u>	<u>192</u>

Movement in asset

	£'000
At 1 August 2022	192
Deferred tax credited in the statement of comprehensive income and expenditure	(47)
At 31 July 2023	<u>145</u>

Notes to the Accounts
for the year ended 31 July 2023

23 Endowment Reserves

	Consolidated and University			
	Restricted Permanent £'000	Restricted Expendable £'000	2023 Total £'000	2022 Total £'000
Balances at 1 August				
Capital	-	4,674	4,674	4,839
Accumulated income	-	-	-	-
	-	4,674	4,674	4,839
New endowments*	10,561	33	10,594	50
Investment income	-	166	166	22
Increase in value of investments	335	-	335	-
Expenditure	-	(153)	(153)	(237)
Total endowment comprehensive income/(expense) for the year	10,896	46	10,942	(165)
At 31 July	10,896	4,720	15,616	4,674
Represented by:				
Capital	10,896	4,720	15,616	4,674
Accumulated income	-	-	-	-
	10,896	4,720	15,616	4,674
<i>Analysis by type of purpose:</i>				
Research support	-	4,720	4,720	4,674
Bursary funding	10,896	-	10,896	-
	10,896	4,720	15,616	4,674
<i>Analysis by asset</i>				
Current and non-current asset investments	10,896	-	10,896	-
Cash & cash equivalents	-	4,720	4,720	4,674
	10,896	4,720	15,616	4,674

*New endowments are represented by £410,000 donations in year (note 6) and £10,184,000 transfer from unrestricted reserves.

The University has the following endowments:

a) The Van Geest Foundation Cancer Research Fund is a restricted expendable endowment established as a charitable trust to administer funds donated by John and Lucille van Geest Foundation. The objects of the fund are to advance education at the University into all aspects of cancer biology and contribute towards and meet the costs of cancer research undertaken at the University and the publication of useful results of such research.

b) The NTU Student Success Fund is a restricted permanent endowment established under trust deed on 14 June 2022. On 17 August 2022 the University transferred £10m from its unrestricted reserves to the Trust. A further £184,000 of unrestricted reserves was transferred during the year. The object of the fund is to provide financial support to University students from disadvantaged backgrounds.

24 Restricted Reserves

Reserves with restrictions are as follows:

	Consolidated and University		
		2023	2022
	Donations £'000	Total £'000	Total £'000
Balances at 1 August	159	159	288
New grants	-	-	-
New donations	99	99	66
Capital grants utilised	-	-	-
Expenditure	(114)	(114)	(195)
Total restricted comprehensive income for the year	(15)	(15)	(129)
At 31 July	144	144	159
<i>Analysis of other restricted funds /donations by type of purpose:</i>			
Lectureships		-	-
Scholarships and bursaries		51	53
Research support		86	99
Prize funds		7	7
General		-	-
		144	159

Notes to the Accounts

for the year ended 31 July 2023

25 Cash and cash equivalents

Consolidated

At 1st August 2022 £'000	Cash Flows £'000	At 31st July 2023 £'000
162,340	(84,630)	77,710

Cash and cash equivalents

26 Reconciliation of net fund

	£'000	
Net funds 1 August 2022		78,061
Movement in cash and cash equivalents		(84,630)
Repayment of unsecured loans		40,198
Change in net fund		(44,432)
Net funds 31 July 2023		33,629
Analysis of net fund:	2023	2022
	£'000	£'000
Cash and cash equivalents	77,710	162,340
Borrowings: amounts falling due within one year		
Unsecured loans	(78)	(198)
Obligations under finance leases	-	-
	(78)	(198)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(44,003)	(84,081)
	(44,003)	(84,081)
Net fund	33,629	78,061

Notes to the Accounts

for the year ended 31 July 2023

27 Capital and other commitments

Provision has not been made for the following capital commitments:

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for	29,006	28,980	13,804	13,401

28 Contingent liabilities

There are no contingent liabilities at the year end.

29 Consolidated operating lease obligations

Total rentals payable under operating leases:

	Plant and Machinery	Land and buildings	Total 2023	Total 2022
	£'000	£'000	£'000	£'000
Payable during the year	610	1,067	1,677	1,835
Future minimum lease payments due:				
Not later than 1 year	51	1,082	1,133	1,386
Later than 1 year and not later than 5 years	123	9,222	9,345	4,584
Later than 5 years	-	45,937	45,937	17,252
Total lease payments due	174	56,241	56,415	23,222

30 Government non-recurrent grant deferred income

	Consolidated and University			
	Funding Councils	Other Grants	2023 Total	2022 Total
	£'000	£'000	£'000	£'000
Balances at 1 August	57,045	15,700	72,745	71,592
New grants	1,153	-	1,153	3,252
Release to income statement	(1,673)	(564)	(2,237)	(2,099)
At 31 July - Buildings only	56,525	15,136	71,661	72,745
<i>Analysed by:</i>				
Creditors : amounts falling due within one year			2,236	2,208
Creditors : amounts falling due after more than one year			69,425	70,537
			71,661	72,745

Notes to the Accounts

for the year ended 31 July 2023

31 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status
Nottingham Law School Limited	Dormant	100% owned
Nottingham Consultants Limited	Provision of courses, consultancy services and commercial research and the commercial letting of accommodation	100% owned
Nottingham Trent Residences 1 plc	Dormant	100% owned
Nottingham International College Limited	Dormant	100% owned
Nottingham Conference Centre Limited	Provision of conference and catering facilities	100% owned
Confetti Constellations Limited	Provision of education facilities and services for music, multi-media and communications courses, including the design, consultancy, supply and installation services for the provision of music, moving image, IT equipment and furniture	100% owned
NLS Legal Limited	Provision of legal advice and information services to the local community and individuals in need, whilst providing practical experience to law students undertaking their professional law training under the supervision and guidance of qualified solicitors	Limited by Guarantee
Nova Centric Limited	Provision of further and higher education courses in music, multi-media and communication courses	Limited by Guarantee
NTU Temporary Staff Limited	Provision of temporary staff	Limited by Guarantee
MTIF (BEZ) Limited	Provision of goods, services and equipment to and for the University's medical technologies innovation facility.	Limited by Guarantee
Notts TV Limited	Provision of a local broadcast service to the Nottingham area	100% owned
Nottingham Business School Limited	Dormant	100% owned
Nottingham Language Centre Limited	Dormant	100% owned
Confetti Media Limited	Dormant	100% owned

32 Connected charitable Institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission.

The movements in the year on the total funds of all connected institutions were as follows:

	Opening balance £'000	Income £'000	Expenditure £'000	Closing Balance £'000
within Consolidated Financial Statements				
NTU Student Success Fund	-	10,896	-	10,896
Van Geest Cancer Research Fund	4,674	199	(153)	4,720
Nottingham Trent University Trust Fund	180	4	(184)	-

Notes to the Accounts

for the year ended 31 July 2023

33 Pension Schemes

The University participates, principally, in two pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). It also participates in the Universities Superannuation Scheme (USS), although there is only a small number of participants and a low level of contributions.

Total Pension Cost for the year:

		Year Ended 31 July 2023		Year Ended 31 July 2022	
		£'000	£'000	£'000	£'000
TPS:	Contributions Paid		18,375		16,717
USS:	Contributions Paid	1,550		1,578	
	Pension operating costs	(1,553)		3,466	
			(3)		5,044
LGPS	Contributions Paid	12,770		10,894	
	Pension operating costs - administration charge	184		179	
	Pension operating costs	11,393		29,539	
			24,347		40,612
	Enhanced pension contributions		200		198
	Past Service liability contributions		1,329		1,612
Pension Cost for year - University			44,248		64,183
Other pension contributions			273		289
Pension Cost for year - Consolidated			44,521		64,472

Other pension contributions relate to payments made by Confetti Constellations Limited and Nova Centric Limited to several pensions funds, including employees' personal pensions. No further disclosure is made on the grounds of materiality.

Teachers' Pension Scheme

The TPS is an unfunded multi-employer defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972.

Because of the mutual nature of the scheme, the scheme cannot allocate assets to individual contributing institutions and a scheme-wide contribution rate is set. As such, the University is exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of underlying assets and liabilities of the scheme and, therefore, as required by FRS 102(28), accounts for the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The next valuation result is due to be implemented from 1 April 2024. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Following the publication of the previous interim actuarial valuation in April 2019 the employer contribution was set at 23.68% with effect from September 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Universities' Superannuation Scheme

Deficit recovery contributions due within one year are £470,000 (2022:£467,000).

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles.

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

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

Notes to the Accounts

for the year ended 31 July 2023

33 Pension Schemes (cont'd)

Universities' Superannuation Scheme (cont'd)

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

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

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

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	2.20%	3.50%

The employers' contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.20%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

Local Government Pension Scheme

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefit on career average revalued earnings.

The administering authority for the fund is Nottinghamshire County Council. The Pension Fund Committee oversees the management of the Fund whilst day to day administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the Fund's professional advisers.

As administering authority to the Fund, Nottingham County Council, after consultation with the Fund Actuary and other relevant parties, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investing Principles. These should be amended when appropriate based on the Fund's performance and funding.

The Fund is valued every three years by a professionally qualified independent actuary, as required by regulations, using the projected unit method. Contributions are set as a result of the actuarial valuation. The last valuation was carried out as at 31 March 2022 and set contributions for the period April 2023 to March 2026. During this accounting period the University's minimum employer contributions were 17.2% , whilst a separate lump sum payment of £4.78m was payable over the three year period to 31 March 2023 to fund past service liabilities. The fund position as at 31 March 2022 is detailed below:

Value of Assets	£6,498m
Funding level for accrued benefit	100%
Long term pay scale increases per annum	3.9%
Consumer price inflation	2.9%
Pension increase per annum	2.9%

There are no minimum funding requirements in the LGPS but contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

To assess the value of the University's liabilities at 31 July 2023, the Actuary rolled forward the value of the University's liabilities calculated for the funding valuation as at 31 March 2022, using the financial assumptions that comply with FRS102.

To calculate the asset share the actuary has rolled forward the assets allocated to the University at 31 March 2022 allowing for investment returns, contributions paid into, and estimated benefits paid from, the Fund by and in respect of the University and its employees.

Notes to the Accounts

for the year ended 31 July 2023

33 Pension Schemes (cont'd)

Local Government Pension Scheme (cont'd)

The full actuarial valuation involved projecting future cashflows to be paid from the Fund and placing value on them. These cashflows include pensions currently being paid to members of the Fund as well as pensions (and lump sums) that may be payable in future to members of the Fund and their dependents. These pensions are linked to inflation and will normally be payable on retirement of the member or a dependent following a member's death.

It is not possible to accurately assess the estimated liabilities as at 31 July 2023 without completing a full valuation. However, the Actuary and the University are satisfied that the approach of rolling forward previous valuation data to 31 July 2023 should not introduce any material distortions to the results provided that the actual experience of the University and the Fund has been broadly in line with underlying assumptions, and that the structure of the liabilities is substantially the same as at the latest formal valuation. In addition, the actuary adopted a set of demographic assumptions consistent with those used for the most recent Fund valuation (31 March 2022). The post retirement mortality tables adopted are S3PA tables with a multiplier of 115% for males and 110% for females. These base tables are then projected using the CMI 2018 Model, allowing for a long-term rate of improvement of 0.5% pa.

The material assumptions used by the Actuary as at 31 July 2023 were:

	2023	2022
<i>Financial assumptions (referenced to market conditions at 31 July 2023)</i>	% p.a	% p.a
Discount Rate	5.15%	3.40%
Pension increases	2.85%	2.75%
Salary increases	3.85%	3.75%

The discount rate is the annualised Merrill Lynch AA-rated corporate bond yield curve.

The Consumer Prices Index assumption, on which future pension increases are expected to be based, will be 2.75% p.a.

Salaries are assumed to increase at 1.0% p.a above CPI . This is consistent with the approach at the previous year end.

<i>Mortality assumptions (life expectation from age 65)</i>		2023	2022
Retiring today	Males	20.4	21.6
	Females	23.2	24.4
Retiring in 20 years	Males	21.6	23
	Females	24.6	25.8

Fund members' behaviour

- members will exchange half their commutable pension for cash at retirement;
- members will retire at one retirement age for all tranches of benefit; and
- 10% of active members will take up option under the new LGPS to pay 50% of contributions for 50% of benefits.

The University's share of net assets of the Fund is approximately 5% and the estimated asset allocation as at 31 July 2023 attributable to the University is as follows:

	31 July 2023		31 July 2022	
	£'000	%	£'000	%
Equities	224,230	59%	218,513	59%
Gilts	7,466	2%	8,772	2%
Other bonds	21,188	6%	25,751	7%
Property	44,449	12%	54,031	14%
Cash	23,333	6%	21,305	6%
Inflation-linked pool funds	18,609	5%	19,443	5%
Infrastructure	29,908	8%	24,982	7%
Unit trust	12,361	3%	-	0%
	381,544		372,797	

The University's financial position in the LGPS Scheme as at 31 July 2023 is:

	2023	2022
	£'000	£'000
Fair value of Fund assets	381,544	372,797
Present value of defined benefit obligation	(366,066)	(492,028)
Deficit	15,478	(119,231)
Present value of unfunded obligation	(2,006)	(2,795)
Less: Notional surplus not recognised at year end	(13,472)	-
Net defined benefit asset / (liability)	-	(122,026)

The defined benefit asset at year end has not been recognised as the scheme rules do not give a right to a refund of this surplus.

Notes to the Accounts
for the year ended 31 July 2023

33 Pension Schemes (cont'd)

Local Government Pension Scheme (cont'd)

Reconciliation of opening & closing balances of the present value of defined benefit and unfunded obligations

	2023	2022
	£'000	£'000
Opening defined benefit and unfunded obligation	494,823	743,017
Current service cost	25,598	42,126
Interest cost	16,748	11,847
Past service costs, including curtailment	-	-
Contributions	5,393	4,808
Benefits paid net of transfers in	(9,860)	(9,909)
Change in financial and demographic assumptions and experience gain	(164,630)	(297,066)
Closing defined benefit and unfunded obligation	368,072	494,823

Reconciliation of opening & closing balances of the fair value of Fund assets

	2023	2022
	£'000	£'000
Opening fair value of Fund Assets	372,797	356,070
Interest on assets	12,839	5,757
Return on assets less interest	(11,349)	3,663
Administration expenses	(184)	(179)
Other actuarial (losses)/gains	(2,297)	-
Contributions by University including unfunded	14,205	12,587
Contributions by Scheme participants	5,393	4,808
Benefits paid net of transfers in	(9,860)	(9,909)
Closing fair value of Fund Assets	381,544	372,797

Actuarial gain in other comprehensive income

	2023	2022
	£'000	£'000
Return on Fund assets in excess of interest	(11,349)	3,663
Other actuarial losses on assets	(2,297)	-
Change in financial assumptions	151,509	277,747
Change in demographic assumptions	32,535	8,202
Experience (losses)/gains on defined benefit obligation	(19,414)	11,117
Actuarial gain of the net assets/defined liability	150,984	300,729

The actuarial gain recognised in Other comprehensive income is £137,512,000 as the notional surplus of £13,472,000 has not been recognised in year. See note 21.

Sensitivity analysis

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	+0.0%	-0.1%
Present value of total obligation	361,289	368,072	375,051
Projected service cost	11,989	12,485	12,999
Adjustment to long term salary increase	+0.1%	+0.0%	-0.1%
Present value of total obligation	368,616	368,072	367,532
Projected service cost	12,493	12,485	12,476
Adjustment to pension increases and deferred revaluation	+0.1%	+0.0%	-0.1%
Present value of total obligation	374,659	368,072	361,672
Projected service cost	13,008	12,485	11,981
Adjustment to life expectancy assumptions	+ 1 Year	None	- 1 Year
Present value of total obligation	380,256	368,072	356,327
Projected service cost	12,935	12,485	12,045

Projected pension expense for the year to 31 July 2024

	2023	2022
	£'000	£'000
Service Cost	12,485	18,974
Net interest on defined liability / (asset)	(1,063)	3,936
Administration expenses	188	184
Total loss	11,610	23,094
Employer contributions	14,375	12,481

Notes to the Accounts

for the year ended 31 July 2023

34 Related Party Transactions

The University controls 100% of the voting rights of all subsidiary undertakings. Therefore the University has taken advantage of the exemption contained in FRS 102 (33.1A) and has not disclosed transactions or balances with entities that form part of the group and are included within these financial statements.

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arms' length and in accordance with the University's financial regulations and normal procurement procedures.

Mr A O'Hara and Mr B Wills, in addition to being University Governors/Trustees, were also members of the Board of Trustees of the Nottingham Trent University Students Union. Transactions with a total value of £1.9m (2022: £1.8m) relating to block grant and other activities took place between the University and the Students Union.

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

	Income from related party £'000	Expenditure to related party £'000	Balance due from related party £'000	Balance due to related party £'000
Creative Quarter Nottingham Limited	-	14	-	-
Digital Catapult Services Limited	-	42	-	-
Nottingham Contemporary	-	71	-	2
Nottingham Festival of Science and Curiosity Limited	-	5	-	-
Shakespeare Martineau LLP	-	61	-	-
Universities UK	-	44	-	42

A member of the Board of Governors is a director of each of the above companies.

35 Transactions whereby University acts only as paying agent on behalf of a funding body

Funding body grants are available solely for students; the University acts only as the paying agent. The grants and disbursements are therefore excluded from income and expenditure statement.

	2023 £'000	2022 £'000
Learner support funds		
Education and Skills Funding Agency grants	77	76
Interest earned	-	-
	<u>77</u>	<u>76</u>
Disbursement to students	(77)	(76)
Balance unspent as at 31 July	<u>-</u>	<u>-</u>
Healthcare education and training staff		
Healthcare education and training staff	77	40
Interest earned	-	-
	<u>77</u>	<u>40</u>
Disbursement to students	(70)	(20)
Balance unspent as at 31 July	<u>7</u>	<u>20</u>
Department for Education bursaries		
Department for Education bursaries	858	1,298
Interest earned	-	-
	<u>858</u>	<u>1,298</u>
Disbursement to students	(851)	(1,217)
Balance unspent as at 31 July	<u>7</u>	<u>81</u>

Notes to the Accounts

for the year ended 31 July 2023

36 Access and participation

	Year Ended 31 July 2023		Year Ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Access investment	3,236	3,190	2,610	2,553
Financial support	10,220	10,220	9,093	9,093
Support for disabled students	1,423	1,389	1,537	1,390
Research and evaluation	873	873	726	726
	15,752	15,672	13,966	13,762

Access and participation expenditure includes £4,387,000 (2022: £3,916,000) of staff costs. These costs are also included in the overall staff costs figures for financial statements note 7.

Additional sums have been spent on financial support as a result of the University having more low-income/bursary eligible students and increasing the amount of payments being made available. In 2022/23 an additional one-off bursary was awarded to all eligible students specifically in response to the cost of living crisis, this was at a cost of £0.9m.

Access spend has increased from prior year as activity at our Mansfield campus increases with a number of HTQ's now running from this campus.

Investment in support of Research and evaluation has also increased in 2022/23 in recognition of increased OfS expectation for access and participation work to be evidence-informed and evaluated, as outlined in their recent guidance for the APP 2023-24 Variation and the new APP 2024-2028.

The university access and participation plan can be found at

https://apis.officeforstudents.org.uk/accessplansdownloads/2024/NottinghamTrentUniversity_APP_2020-21_V1_10004797.pdf

37 Post balance sheet event

The company subsidiary, Nottingham Conference Centre Limited (NCC) intends to cease trading and transfer the trade, assets and liabilities to another group company during the coming year. Since NCC is unlikely to fully repay an intercompany loan amounting to £1,391,812 from their net liability position, taking into consideration recognition of NCC assets, £1,000,000 had been impaired at year end with no impact on consolidation.

Notes to the Accounts
for the year ended 31 July 2023

38 US loans supplementary schedule - Sterling £

Basix of preparation

Nottingham Trent University has an obligation as part of its participation in the US Federal Loans program to include Supplemental Information which complies with Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations. This data is prepared using UK GAAP and does not include any adjustments that would be required to comply with US GAAP.

Reference	Expendable Net Assets		Year Ended 31 July 2023		Year Ended 31 July 2022	
			£'000	£'000	£'000	£'000
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		476,510		325,406
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		15,760		4,833
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Statement of Financial Position	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	484,812		470,124	
Notes 12 and 19	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation		361,610		378,197
Notes 12 and 19	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		-		-
Notes 12 and 19	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		88,036		77,937
Notes 12 and 19	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		35,166		13,990
n/a	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	-	-	-	-
n/a	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
n/a	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		-		-
Statement of Financial Position	Statement of Financial Position - Goodwill	Intangible assets		1,145		1,689
Statement of Financial Position	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		14,167		139,108
Notes 19 and 20	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	44,000		84,000	
Note 20	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation		44,000		84,000
Notes 19 and 20	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	-	5,830		-
n/a	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process		-		-
n/a	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	-	-	-	-
n/a	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
n/a	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		-		-
n/a	Statement of Financial Position - Annuities	Annuities with donor restrictions		-		-
n/a	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		-		-
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		-		-
n/a	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		15,760		4,833
Total Expenses and Losses						
Statement of Comprehensive Income and Expenditure	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		410,481		395,612
Statement of Comprehensive Income and Expenditure	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	-	146,399		(302,750)
Statement of Comprehensive Income and Expenditure	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses	-	7,775		(361)
n/a	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-
Modified Net Assets						
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		476,510		325,406
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		15,760		4,833
Statement of Financial Position	Statement of Financial Position - Goodwill	Intangible assets		1,145		1,689
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Modified Assets						
Statement of Financial Position	Statement of Financial Position - Total Assets	Total Assets		692,141		690,717
n/a	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		-		-
n/a	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		-		-
Statement of Financial Position	Statement of Financial Position - Goodwill	Intangible assets		1,145		1,689
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	-	-	-	-
n/a	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		-
Net Income Ratio						
Statement of Changes in Reserves	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		161,288		318,553
Statement of Comprehensive Income and Expenditure	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		426,160		411,037