

**Nottingham Trent University**

**Consolidated and University**

**Financial Statements**

**as at**

**31 July 2022**

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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 NTU 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.

## Operating and financial review (continued)

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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 opening 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 Universities 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 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:



## Operating and financial review (continued)

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- 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;
- Nottingham Law School Legal Advice Centre 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.

The University sold its investment in BioCity Group Limited on 29<sup>th</sup> March 2021. The consolidated results include the University's share of the net assets of BioCity Group Limited until this date.

### **FINANCIAL REPORT**

The University has delivered a strong financial performance in the year, producing an operating cash inflow of £78 million. The surplus for the year of £16 million includes accounting adjustments for pension staff costs of £40 million which are based on an actuarial valuation at year end.

The high level of cash generation enables significant investment in the delivery of our Strategic Plan and in facilities and equipment to support teaching and research.

## Operating and financial review (continued)

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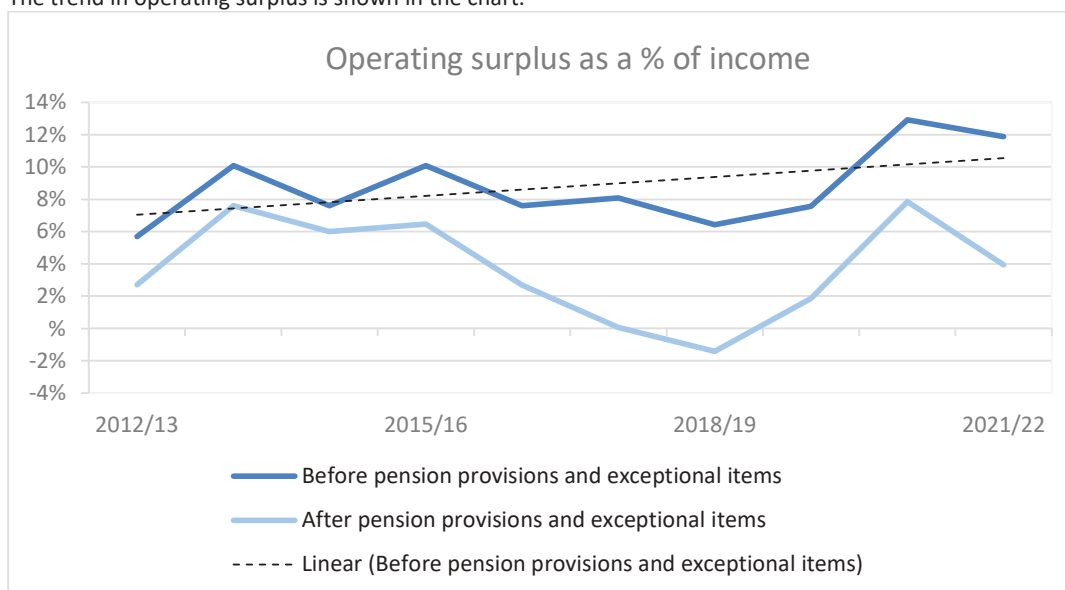
### Income and Expenditure Account

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Income	404.1	369.5	339.1	313.0	290.3
Expenditure	(356.1)	(321.8)	(313.5)	(292.9)	(266.8)
Surplus before pension staff cost adjustments and other gains/(losses)	48.0	47.7	25.6	20.1	23.5
FRS102 pension operating and finance costs	(39.5)	(28.0)	(19.0)	(24.3)	(17.1)
Exceptional items	-	-	-	-	(6.9)
Operating surplus/(deficit)	8.5	19.7	6.6	(4.2)	(0.5)
Other gains/losses	7.4	9.3	(0.3)	(0.2)	0.7
Surplus/(deficit) for the year	15.9	29.0	6.3	(4.4)	0.2

The surplus of £15.9 million represents 3.9% of income. Before pension provisions and other gains and losses the surplus is £48 million, 11.9% of income. Pension staff cost accounting adjustments relate primarily to the LGPS scheme. Actual contributions paid to the scheme, including deficit contributions, are £12.7 million. The accounting adjustments are in addition to contributions and are driven by factors such as the current year and prior year discount rate and pension increase assumptions, as well as return on net assets.

The trend in operating surplus is shown in the chart.

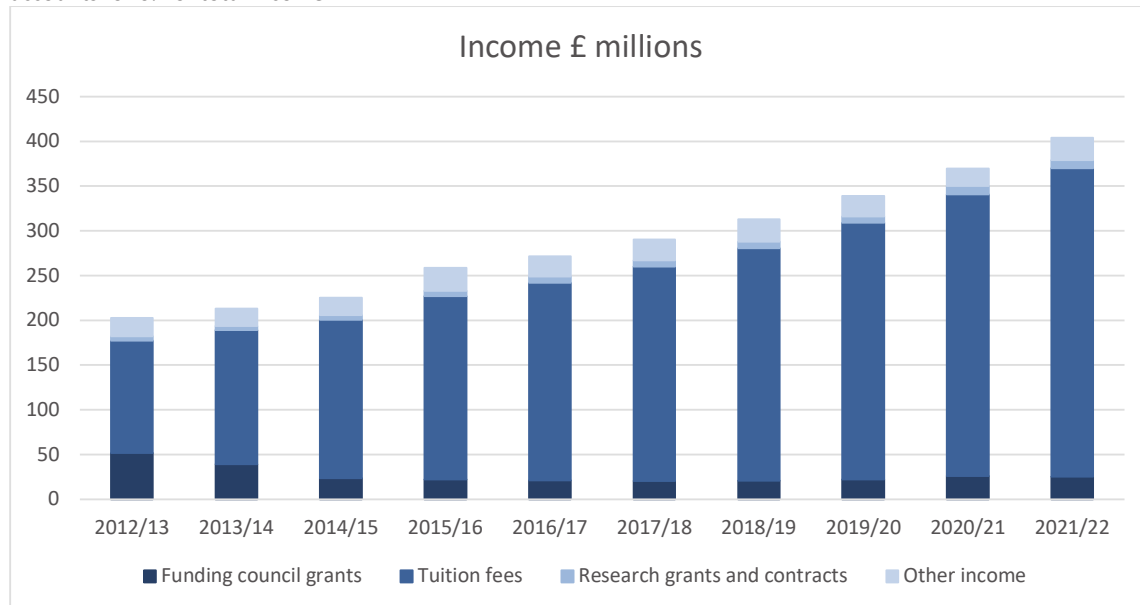


## Operating and financial review (continued)

Nottingham Trent University

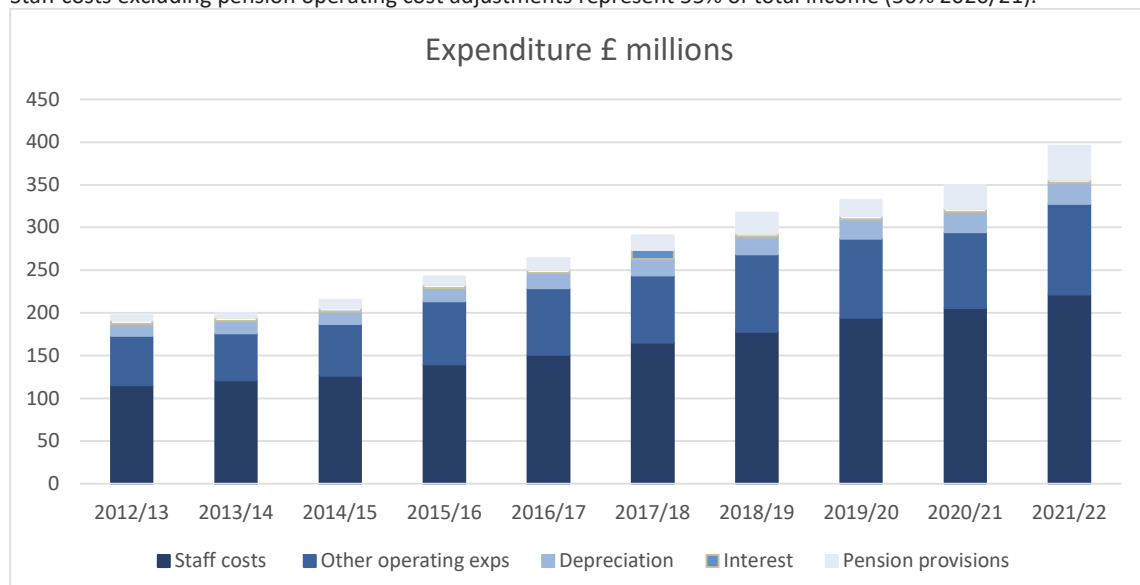
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Income has grown by 9.4% year on year and by 39% over the last five years. Income from tuition fees represents 85% of total income. Since 2009/10 funding council grant income has decreased by over £50 million and now accounts for 6% of total income.



Expenditure in 2021/22 has increased by 13%. This increase in expenditure is due to expenditure levels returning to pre-covid levels as well as growth in student numbers, higher pension contributions, as well as planned investment to support the implementation of the Strategic Plan.

Staff costs excluding pension operating cost adjustments represent 55% of total income (56% 2020/21).



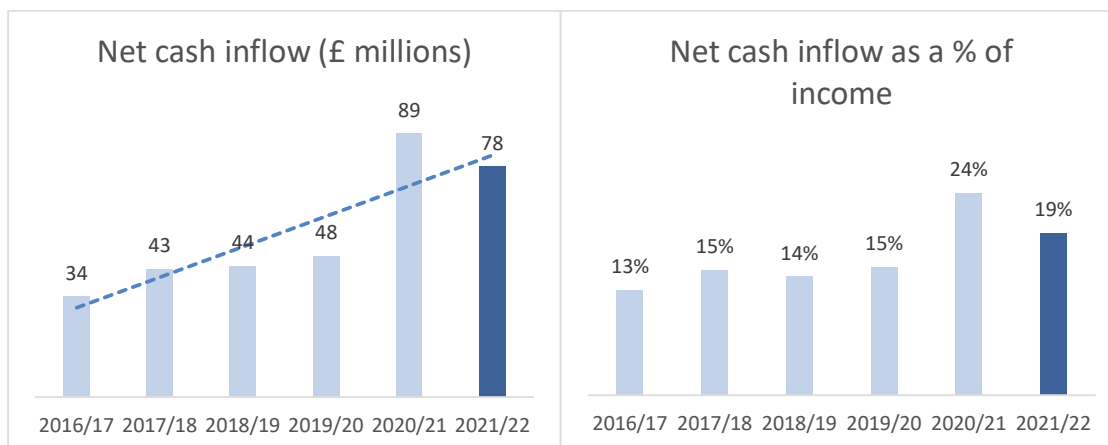
## Operating and financial review (continued)

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### 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 2021/22 a net cash inflow from operations of £78 million and 19% of income was achieved, exceeding the long-term financial plan target and historic performance levels. The current financial year is forecast to deliver more typical results.



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 £55 million due to strong financial performance and cash generation.

	<u>2022</u> £m	<u>2021</u> £m	<u>2020</u> £m	<u>2019</u> £m	<u>2018</u> £m
Non-current Assets	473.0	465.9	457.9	443.3	405.4
Current Assets (non-cash)	25.4	20.0	22.8	23.7	21.8
Cash and short-term deposits	192.3	144.2	92.4	62.9	74.4
Current Liabilities	(65.4)	(57.4)	(66.6)	(50.7)	(43.5)
Net Current Assets	152.3	106.8	48.6	35.9	52.7
Total Assets less Current Liabilities	625.3	572.7	506.5	479.2	458.1

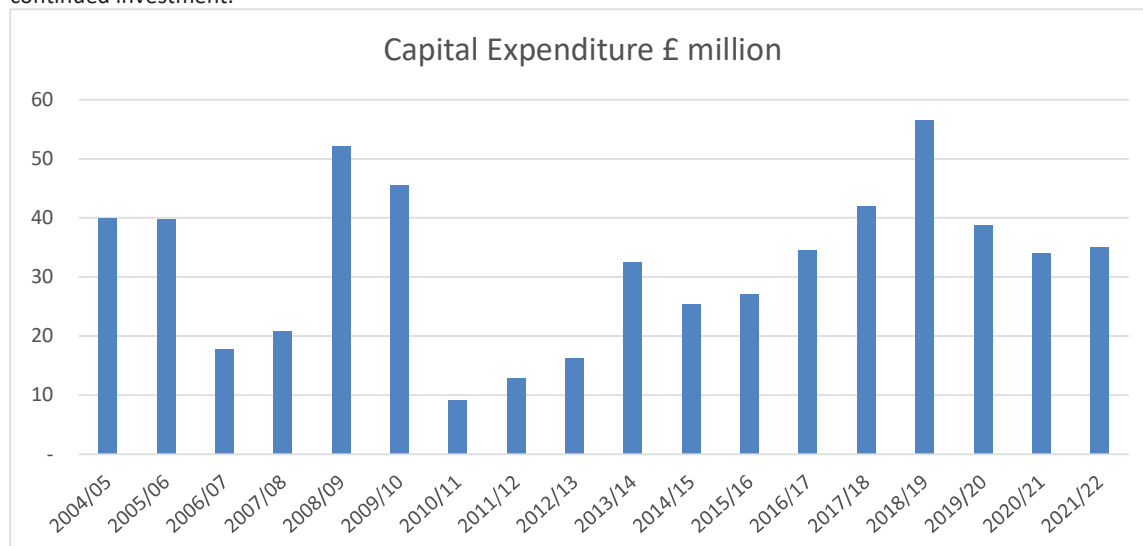
## Operating and financial review (continued)

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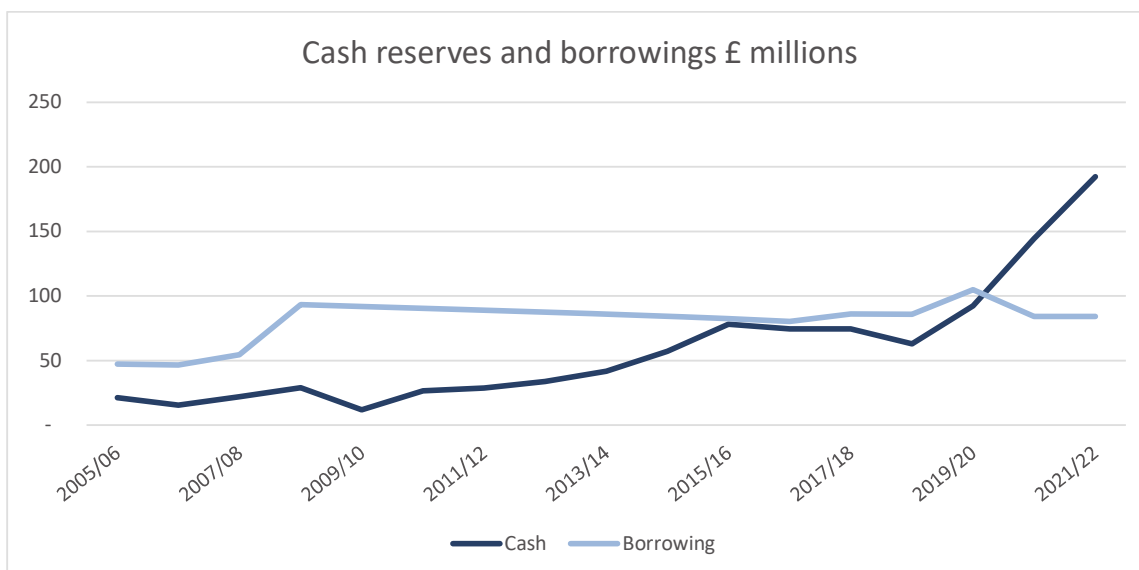
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Loans	(84.1)	(84.3)	(84.5)	(85.4)	(85.8)
Deferred capital grants	(70.5)	(69.6)	(62.5)	(58.8)	(56.5)
Provisions (exc Pensions)	(1.3)	(4.0)	(1.0)	(0.9)	(0.9)
Net Assets excluding Pension Provision	469.4	414.8	358.5	334.1	314.9
Pension Provisions	(139.2)	(402.8)	(370.9)	(240.3)	(187.6)
Net Assets/(Liabilities)	330.2	12.0	(12.4)	93.8	127.3

The University has an ongoing estates investment and regeneration programme to support the delivery of teaching, research and student facilities. A further £35 million has been invested in 2021/22, and financial plans include continued investment.

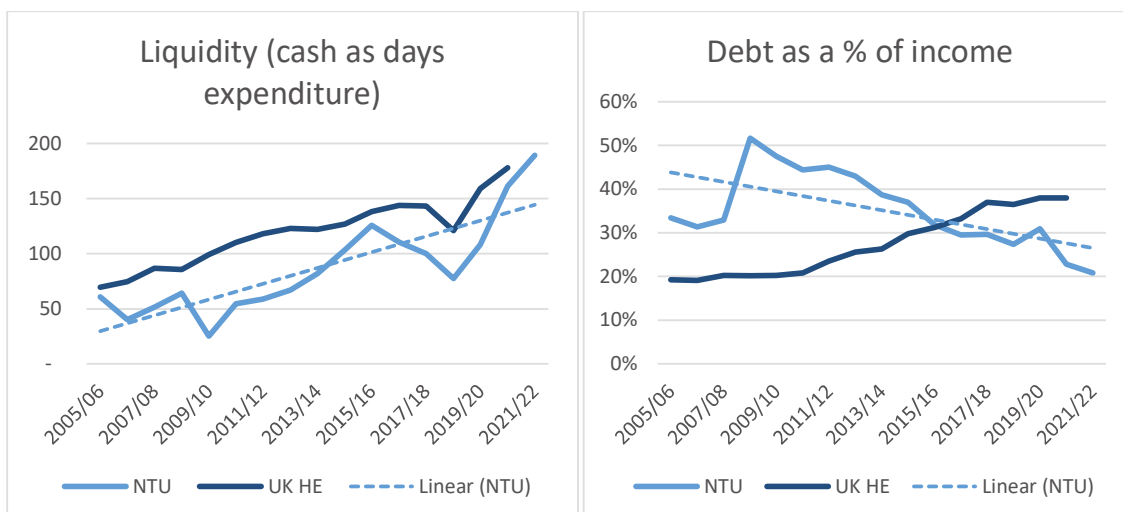


The initial phases of the regeneration programme were supported through borrowing in addition to disposal proceeds, working capital and cash reserves. Subsequent capital expenditure has been funded through cash generated.

Cash reserves increased by £48 million during 2021/22, due to a strong financial performance and sale of investments.



At 31 July 2022 cash reserves represent 189 days liquidity. Borrowing is £84 million, 21% of income. The current liquidity position is in line with sector average and borrowing levels remain positive compared to sector. After the year end, £40m of borrowing was repaid.



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.

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The majority of the Pension Provision (96%) relates to the Nottinghamshire County Council Pension Fund (NCCPF). At the triennial valuation date of 31 March 2019 the actuaries reported, for the NTU part of the fund, a funding level of 92.2% (88.5% in 2016), and a decrease in the funding deficit from £25.7m to £23.9m.

The accounting standard that dictates a methodology for inclusion of pension liabilities on balance sheets is more prudent and continues to show a material deficit. However, this has decreased significantly from £387m to £122m in 2021/22 due to actuarial assumptions, primarily a higher discount rate.

### **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;

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- 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, 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 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

NTU plays a leading role in the social, cultural, economic and environmental development of Nottingham and Nottinghamshire, the 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.

- NLS Legal Limited, our teaching law firm, supports members of the local community with free and affordable legal advice. It has recovered £4.5 million in compensation and benefits for its clients in six years.
- The University has attracted £17m of funding to support over 1950 businesses across Derbyshire and Nottinghamshire.
- Our pioneering high-level skills programme is supporting over 3400 employees in local business gain new skills through industry-demanded short courses.
- We support over 700 local small and medium-sized enterprise (SMEs) a year to become more productive and to grow.
- Across the D2N2 region over 900 graduates have been employed in local businesses through part-funded placements.
- As one of the world's most sustainable universities, we are helping local business to reduce carbon emissions and to develop net zero practices.
- Our £23m dual-sited Medical Technologies Innovation Facility (MTIF) and the Smart Wireless Innovation Facility (SWIFT) are providing new facilities to support innovation.
- NTU Enterprise provides business support through mentoring, programmes, and funding to encourage students, graduates and the wider community to explore enterprising ideas, start-up and develop businesses. In the past two year, 180 new businesses have been started by graduates. Over 670 firms are still active which have originated through NTU Enterprise and these employ 1637 people, mainly in the local economy.
- The Dryden Enterprise Centre, opened in 2021 is now home to a flourishing NTU Enterprise supported business community, offering businesses space to work, train and thrive.

A key pillar of NTU's Strategy is our commitment to Mansfield and Ashfield. Working with local stakeholders, we co-created and co-deliver the Mansfield and Ashfield Development Programme. The Programme consists of five key themes, these are:

- Higher Education, working in Partnership with Vision West Notts College delivering our HE provision on the College site to ensure clear, accessible pathways are in place for students to move from FE to HE, and then into the workplace.
- Economic Prosperity, supporting local businesses from start-up to scale-up to grow and to increase their competitiveness.
- Community Participation, for example, social prescribing.
- Culture Compact.
- Education and Skills, raising school attainment.

Universities for Nottingham is a Civic Agreement between ten anchor institutions across the city and county; these include the NHS, local authorities, NTU, and the University of Nottingham. The partners collaborate around a set of defined initiatives that benefit the people and place of Nottingham and Nottinghamshire. Some of the successes to date include:

- Securing funding and launching the Co(I)laboratory Doctoral Training Partnership for place-based doctoral style research and training.
- The development of the Universities' joint MedTech offer.
- The roll-out of the Green Rewards App to encourage positive actions that improve sustainability.
- Launching the UfN Expert Advisory Panel, linking academic knowledge with practitioner insight to help solve local challenges.

## Operating and financial review (continued)

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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 makes significant investments in the cultural life of the city, with strategic partnerships with a range of local organisations such as the ChalleNGe, New Art Exchange, Nottingham Contemporary, Nottingham Playhouse, UNESCO City of Literature. NTU Culture produces the innovation and dynamic Curated and Creative programme. Our cultural venues, such as Bonington Gallery, University Hall, Metronome and Confetti X provide a platform for local and world leading artists. Notts TV Limited is owned by NTU and attracts an audience of 100, 000 per week. We harness the creativity of our students and colleagues to increase the reach, diversity and recognition of local arts and heritage.

### 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 2022 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 ten 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 on a quarterly basis. The University Executive Team is provided with an oversight of operational risks through biannual 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 improvement 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 2022 and until the date the financial statements were formally approved were:

### ***Independent and External Co-opted Governors***

Mr N Goulden, Chair  
Baroness D Warwick, Deputy Chair  
Mr M Dayal  
Mr N Ebbs  
Mr I Ellis  
Dr A Emuwa  
Mrs S Fish (retired 23 November 2021)  
Ms S Gregory (appointed 1 September 2022)  
Ms L Holder  
Mr G Love  
Mr J Maier (retired 30 September 2021)  
Miss J Nelson  
Sir D Nicholson (retired 16 September 2021)  
Mrs S Walker-Smith  
Ms C Wayman  
Mr D Williams  
Dr D Wilson (appointed 1 September 2021)  
Mr O Woodley

### ***Academic Board member***

Ms A Brown

### ***Student nominee***

Mr C Naughton (retired 30 June 2022)  
Mr B Wills (appointed 1 July 2022)

### ***Professional Services staff member***

Mrs S V Murcott

### ***Vice-Chancellor***

Professor E W Peck

### ***Chief Operating Officer and Registrar***

Mr S Denton

**Mr N Goulden**  
*Chair*

**Professor E W Peck**  
*Vice-Chancellor*

22 November 2022

## **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 2022 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University'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 2022 which comprise 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 Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **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”) and UK Research and Innovation (including Research England)**

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
- 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 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 members 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:

Based on our understanding of the Group and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations are related to their registration with the Office for Students and their ongoing conditions of registration, and we considered the extent to which non-compliance might have a material effect on the Group Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with the Accounts Direction OfS 2019.41 and tax legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Board and other management and inspection of regulatory and legal correspondence if any.

We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates.

The audit procedures to address the risks identified included:

- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and relevant regulators to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Discussions with management and Audit Committee, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer;
- Reviewing items included in the fraud register as well as the results of internal audit's investigations into these matters;
- Challenging assumptions made by management in their significant accounting estimates in particular in relation to the assumptions applied in calculating pension liabilities, fixed asset depreciation and the assumptions used in the valuation of investment property;
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition; and
- Identifying and testing journal entries, in particular any journal entries posted from staff members with privilege access rights, journals posted by key management, journals posted and journals posted after the year end.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and UK Research and Innovation (including Research England).

#### 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. 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Kyla Bellingall (Senior Statutory Auditor)  
 For and on behalf of BDO LLP, Statutory Auditor  
 Birmingham, UK  
 25 November 2022

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 2022

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### 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.

### 2. Basis of consolidation

The consolidated financial statements incorporate those of the University and all its subsidiaries for the financial year to 31 July 2022 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.

Joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at transaction price and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the joint venture. Associated companies are accounted for using the fair value model method. Where it is impractical to measure fair value reliably without undue cost and effort then the cost model is applied.

### 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.



**Statement of Accounting Policies (continued)**  
for the year ended 31 July 2022

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**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 balance sheet 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 2022

### 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. 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.

### 14. 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 2022

### 15. 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.

### 16. 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 potentially 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. Deferred tax assets and liabilities are not discounted.

### 17. 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 2022. 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.

### 18 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 2022/23 was tested for resilience against key risks relating to income and costs. Some 85% 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 2023. The latest forecast for 2022/23 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 2022

		Year ended 31 July 2022		Year ended 31 July 2021	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	344,327	339,455	314,738	310,229
Funding body grants	2	25,427	25,427	25,851	25,851
Research grants and contracts	3	9,091	9,091	9,581	9,567
Other income	4	24,474	17,868	18,351	13,584
Investment income	5	554	1,332	508	1,198
Donations and endowments	6	264	327	498	555
<b>Total income</b>		<b>404,137</b>	<b>393,500</b>	<b>369,527</b>	<b>360,984</b>
<b>Expenditure</b>					
Staff costs	7	254,932	242,070	228,443	217,372
Other operating expenses	8	105,884	110,702	88,723	97,753
Interest and other finance costs	9	10,074	10,074	9,006	9,006
Intangible amortisation	11	554	-	554	-
Depreciation	12	24,168	22,642	23,096	21,668
<b>Total expenditure</b>		<b>395,612</b>	<b>385,488</b>	<b>349,822</b>	<b>345,799</b>
<b>Surplus before other gains/(losses) and share of operating surplus/(deficit) of associates</b>		<b>8,525</b>	<b>8,012</b>	<b>19,705</b>	<b>15,185</b>
Gain/(loss) on disposal of fixed assets		7,454	7,454	234	234
Gain on sale of investments		-	-	8,193	9,614
(Loss)/gain on investments		(193)	(98)	118	158
Share of operating deficit in associates	13,14	-	-	(318)	-
<b>Surplus before tax</b>		<b>15,786</b>	<b>15,368</b>	<b>27,932</b>	<b>25,191</b>
Taxation	10	83	-	1,098	-
<b>Surplus for the year</b>		<b>15,869</b>	<b>15,368</b>	<b>29,030</b>	<b>25,191</b>
<b>Other comprehensive income</b>					
Actuarial gain/(loss) in respect of pension schemes	21	302,389	302,389	(4,723)	(4,723)
<b>Total comprehensive income for the year</b>		<b>318,258</b>	<b>317,757</b>	<b>24,307</b>	<b>20,468</b>
Represented by:					
Endowment comprehensive income for the year	23	(165)	(165)	(121)	(121)
Restricted comprehensive (loss)/income for the year	24	(129)	(129)	140	140
Unrestricted comprehensive income for the year		318,552	318,051	24,288	20,449
<b>Attributable to the University</b>		<b>318,258</b>	<b>317,757</b>	<b>24,307</b>	<b>20,468</b>
<b>Result for the year attributable to the University</b>		<b>15,869</b>	<b>15,368</b>	<b>29,030</b>	<b>25,191</b>

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 2022

Consolidated	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
<b>Balance at 1 August 2020</b>	<b>4,960</b>	<b>148</b>	<b>(17,434)</b>	<b>(12,326)</b>
Surplus/(deficit) from the income & expenditure statement	(121)	140	29,011	29,030
Other comprehensive income/(expense)	-	-	(4,723)	(4,723)
Release of restricted capital funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(121)</b>	<b>140</b>	<b>24,288</b>	<b>24,307</b>
<b>Balance at 1 August 2021</b>	<b>4,839</b>	<b>288</b>	<b>6,854</b>	<b>11,981</b>
Surplus/(deficit) 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	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(165)</b>	<b>(129)</b>	<b>318,552</b>	<b>318,258</b>
<b>Balance at 31 July 2022</b>	<b>4,674</b>	<b>159</b>	<b>325,406</b>	<b>330,239</b>

University	Income and expenditure account			Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000
<b>Balance at 1 August 2020</b>	<b>4,960</b>	<b>148</b>	<b>(23,054)</b>	<b>(17,946)</b>
Surplus/(deficit) from the income and expenditure statement	(121)	140	25,172	25,191
Other comprehensive income	-	-	(4,723)	(4,723)
Release of restricted capital funds spent in year	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(121)</b>	<b>140</b>	<b>20,449</b>	<b>20,468</b>
<b>Balance at 1 August 2021</b>	<b>4,839</b>	<b>288</b>	<b>(2,605)</b>	<b>2,522</b>
Surplus/(deficit) 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	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(165)</b>	<b>(129)</b>	<b>318,051</b>	<b>317,757</b>
<b>Balance at 31 July 2022</b>	<b>4,674</b>	<b>159</b>	<b>315,446</b>	<b>320,279</b>

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 2022

	Note	As at 31 July 2022		As at 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Intangible assets	11	1,689	-	2,243	-
Fixed assets	12	470,124	438,465	462,257	431,377
Investments	13	924	924	1,022	1,022
Investment in subsidiaries	13	-	4,948	-	4,948
Investments in associates	13,14	270	241	365	241
		<b>473,007</b>	<b>444,578</b>	<b>465,887</b>	<b>437,588</b>
<b>Current assets</b>					
Stock	15	497	311	415	283
Debtors: amounts falling due within one year	16	21,699	20,224	16,389	15,241
Debtors: amounts falling due after one year	17	3,174	26,126	3,174	26,238
Investments	18	30,000	30,000	20,000	20,000
Cash and cash equivalents	25	162,340	156,674	124,200	117,957
		<b>217,710</b>	<b>233,335</b>	<b>164,178</b>	<b>179,719</b>
Less: Creditors: amounts falling due within one year	19	(65,397)	(62,553)	(57,388)	(54,089)
<b>Net current assets</b>		<b>152,313</b>	<b>170,782</b>	<b>106,790</b>	<b>125,630</b>
<b>Total assets less current liabilities</b>		<b>625,320</b>	<b>615,360</b>	<b>572,677</b>	<b>563,218</b>
Creditors: amounts falling due after more than one year	20	(154,627)	(154,627)	(153,896)	(153,896)
<b>Provisions</b>					
Pension provisions	21	(139,108)	(139,108)	(402,784)	(402,784)
Other provisions	21	(1,346)	(1,346)	(4,016)	(4,016)
<b>Total net assets</b>		<b>330,239</b>	<b>320,279</b>	<b>11,981</b>	<b>2,522</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	23	4,674	4,674	4,839	4,839
Income and expenditure reserve - restricted reserve	24	159	159	288	288
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		325,406	315,446	6,854	(2,605)
<b>Total Reserves</b>		<b>330,239</b>	<b>320,279</b>	<b>11,981</b>	<b>2,522</b>

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

The financial statements on pages 19 to 47 were approved by the Board of Governors on 22 November 2022 and signed on its behalf on that date by:

**N Goulden**  
Chair of Board of Governors

**Professor E W Peck**  
Vice Chancellor

## Consolidated Statement of Cash Flows

Year ended 31 July 2022

		Year ended 31 July 2022	Year ended 31 July 2021
		Consolidated	Consolidated
	Notes	£'000	£'000
<b>Cash flow from operating activities</b>			
Surplus /(deficit) for the year		15,869	29,030
<b>Adjustment for non-cash items</b>			
Depreciation	12	24,168	23,096
Amortisation of intangibles	11	554	554
Loss/(gain) on investments	13/14	193	(118)
(Increase)/decrease in stock	15	(82)	166
(Increase)/decrease in debtors	16	(384)	2,805
(Decrease) /increase in creditors	19	8,061	10,065
Increase in pension provision	21	38,712	27,201
Increase in other provisions	21	(2,670)	4,016
Change in deferred tax asset/provision	22	(83)	(1,097)
Share of operating deficit in associate	13	-	318
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(554)	(508)
Interest payable	9	3,754	3,929
Endowment income	6	(50)	(75)
(Profit)/loss on the sale of fixed assets		(7,354)	(234)
(Profit)/loss on the sale of investments		(100)	(8,193)
Capital grant income	30	(2,066)	(1,784)
<b>Net cash inflow from operating activities</b>		<b>77,968</b>	<b>89,171</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		4,871	1,321
Capital grants receipts	30	3,252	9,412
Disposal of non-current asset investments		330	9,585
Investment income	5	554	508
Payments made to acquire fixed assets	12	(34,968)	(34,044)
New deposits	18	(10,000)	(20,000)
Withdrawal of deposits	18	-	-
		<b>(35,961)</b>	<b>(33,218)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(3,694)	(3,869)
Endowment cash received	23	50	75
Repayments of amounts borrowed		(223)	(20,393)
		<b>(3,867)</b>	<b>(24,187)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>38,140</b>	<b>31,766</b>
Cash and cash equivalents at beginning of the year	25	124,200	92,434
Cash and cash equivalents at end of the year	25	162,340	124,200

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 2022

	Note	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>1 Tuition fees and education contracts</b>					
Further education		4,855	430	4,454	131
Undergraduate tuition - Home/EU		258,093	258,052	248,578	248,581
Undergraduate tuition - Overseas		28,555	28,555	24,879	24,879
Postgraduate tuition - Home/EU		18,580	18,580	19,378	19,378
Postgraduate tuition - Overseas		33,624	33,624	17,060	17,060
Other fees and support grants		620	214	389	200
		<b>344,327</b>	<b>339,455</b>	<b>314,738</b>	<b>310,229</b>
<b>2 Funding body grants</b>					
<b>Recurrent grant</b>					
Office for Students		12,212	12,212	11,996	11,996
Research England		6,086	6,086	5,780	5,780
Education and Skills Funding Agency		2,219	2,219	2,265	2,265
Office for Students capital grant		1,521	1,521	1,432	1,432
UKRI capital grant		38	38	22	22
<b>Specific grants</b>					
UKRI		2,398	2,398	2,015	2,015
Office for Students		308	308	1,863	1,863
National College for Teaching and Leadership		96	96	148	148
Dept of Health and Social Security		9	9	-	-
Other bodies capital grant		540	540	330	330
		<b>25,427</b>	<b>25,427</b>	<b>25,851</b>	<b>25,851</b>
<b>3 Research grants and contracts</b>					
Research councils and charities		3,896	3,896	4,800	4,800
Government (UK and overseas)		3,466	3,466	3,349	3,335
Industry and commerce		1,729	1,729	1,432	1,432
		<b>9,091</b>	<b>9,091</b>	<b>9,581</b>	<b>9,567</b>
<b>4 Other income</b>					
Residences, catering and conferences		8,204	7,804	4,953	4,893
Other revenue grants		4,571	4,517	4,958	4,559
Other income generating activities		11,699	5,547	8,440	4,132
		<b>24,474</b>	<b>17,868</b>	<b>18,351</b>	<b>13,584</b>
Other revenue grants includes £58,000 (2021: £2,171,000) in relation to Coronavirus Job Retention Scheme (University only £27,000, 2021:£1,451,000).					
<b>5 Investment income</b>					
Investment income on expendable endowments	23	22	22	17	17
Other investment income		392	392	87	87
Other interest receivable		140	918	404	1,094
		<b>554</b>	<b>1,332</b>	<b>508</b>	<b>1,198</b>
<b>6 Donations and endowments</b>					
New endowments	23	50	50	75	75
Donations with restrictions	24	66	66	275	275
Unrestricted donations		148	211	148	205
		<b>264</b>	<b>327</b>	<b>498</b>	<b>555</b>
<b>Note</b> The source of grant and fee income, included in notes 1 to 4 is as follows:					
Grant income from the OfS		14,041	14,041	15,291	15,291
Grant income from other bodies		23,319	23,265	23,667	23,254
Fee income for taught awards (exclusive of VAT)		333,368	333,327	311,732	311,736
Fee income for research awards (exclusive of VAT)		4,745	4,745	2,980	2,980
Fee income from non-qualifying courses (exclusive of VAT)		5,274	442	5,474	961
Total grant and fee income		<b>380,747</b>	<b>375,820</b>	<b>359,144</b>	<b>354,222</b>

**Notes to the Accounts (continued)**  
for the year ended 31 July 2022

	Note	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>7 Staff costs</b>					
<i>Employee costs:</i>					
Wages and salaries		174,258	162,449	160,179	149,982
Social security costs		18,067	17,303	16,051	15,431
Other pension costs		29,423	29,134	29,287	29,033
Pension operating costs	21	33,184	33,184	22,926	22,926
Total		<u>254,932</u>	<u>242,070</u>	<u>228,443</u>	<u>217,372</u>
				2022	2021
<i>Emoluments of the Vice-Chancellor:</i>				£'000	£'000
Salary				277	273
Payment in lieu of pension contributions				44	44
Bonus				† -	-
				<u>321</u>	<u>317</u>
Pension contributions including contributions to USS				15	5
				<u>336</u>	<u>322</u>
† Bonus is the bonus paid in year. No bonus was paid in the years ended 31 July 2022 and 31 July 2021.					
<i>Remuneration of other higher paid staff, excluding employer's pension contributions:</i>				No.	No.
£100,000 to £104,999				8	4
£105,000 to £109,999				6	2
£110,000 to £114,999				3	3
£115,000 to £119,999				6	3
£120,000 to £124,999				1	1
£125,000 to £129,999				-	1
£130,000 to £134,999				2	3
£135,000 to £139,999				2	2
£140,000 to £144,999				1	3
£145,000 to £149,999				2	1
£150,000 to £154,999				1	1
£155,000 to £159,999				2	2
£160,000 to £165,999				1	-
£175,000 to £179,999				-	1
£180,000 to £185,999				-	-
£185,000 to £189,999				-	1
£190,000 to £194,999				1	-
£200,000 to £204,999				-	-
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.					
<i>Average weekly staff numbers (including senior post-holders) employed during the period:</i>				2022	2021
				FTE	FTE
Academic departments				1,856	1,704
Academic support services				689	667
Other support services				210	135
Administration and central services				1,023	1,011
Estates				417	404
Other				20	57
				<u>4,215</u>	<u>3,978</u>
<i>Compensation for loss of office - all staff</i>				2022	2021
				£'000	£'000
Compensation paid/payable recorded within staff costs				547	478
				2022	2021
				Number	Number
Number of people to whom this was payable				25	37
Compensation was paid in cash from general University funds.					



## Notes to the Accounts

### for the year ended 31 July 2022

#### 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:

	2022	2021
	£'000	£'000
<b>Key management personnel compensation</b>	<b>2,026</b>	<b>1,842</b>

##### Trustees

No trustee has received any remuneration/waived payments from the group during the year (2021: None).

The total expenses paid to or on behalf of the 22 trustees was £5,605 (2021: £330 to 21 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 £1,533 (2021: £1,334).

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;
- 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 8.1 (2021: 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 9.1 (2021: 9.4) 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 19/20 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 2022

		Year Ended 31 July 2022		Year Ended 31 July 2021	
	Note	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>8 Analysis of other operating expenses by activity</b>					
Academic departments		27,839	37,269	19,640	27,352
Academic services		24,076	23,272	18,292	17,751
Administration and central services		34,923	34,571	28,697	32,936
Premises		12,656	11,321	10,030	8,865
Residences, catering and conferences		491	127	6,569	6,542
Research grants and contracts		4,303	4,142	4,567	4,307
Other expenses		1,596	-	928	-
		<b>105,884</b>	<b>110,702</b>	<b>88,723</b>	<b>97,753</b>
<i>Other operating expenses include:</i>					
External auditors remuneration in respect of audit services		95	68	83	59
External auditors remuneration in respect of non-audit services		25	2	18	2
Operating lease rentals - land and buildings		1,319	867	693	207
- other		507	507	469	469
<b>9 Interest and other finance costs</b>					
Bank interest on loans		3,754	3,754	3,929	3,929
Net charge on pension scheme	21	6,320	6,320	5,077	5,077
		<b>10,074</b>	<b>10,074</b>	<b>9,006</b>	<b>9,006</b>
<b>10 Taxation</b>					
<b>Recognised in the statement of comprehensive income</b>					
<b>Current tax</b>					
Current tax expense		-	-	-	-
Adjustment in respect of previous years		-	-	-	-
<b>Current tax expense</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>					
Origination and reversal of timing differences		18	-	1,033	-
Reduction in tax rate		-	-	-	-
Recognition of previously unrecognised tax losses		65	-	65	-
<b>Deferred tax credit</b>		<b>83</b>	<b>-</b>	<b>1,098</b>	<b>-</b>
<b>Total tax credit</b>		<b>83</b>	<b>-</b>	<b>1,098</b>	<b>-</b>
The tax charge is represented in the consolidated balance sheet through the net financial impact of the creation of corporation tax payable (Note 19) and a deferred tax asset (Note 16) and the increase in the provision for deferred tax (Note 22).					
<b>11 Intangible assets</b>					
<b>Brand</b>					
<b>Opening Balance</b>		<b>2,243</b>	<b>-</b>	<b>2,797</b>	<b>-</b>
Additions		-	-	-	-
Amortisation charge for the year		(554)	-	(554)	-
<b>At 31 July 2022</b>		<b>1,689</b>	<b>-</b>	<b>2,243</b>	<b>-</b>

The amortisation period is 10 years.

**Notes to the Accounts**  
for the year ended 31 July 2022

**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
<b>Consolidated</b>						
<b>Cost or valuation</b>						
At 1 August 2021	5,830	407,834	72,151	80,920	14,943	581,678
Additions	-	8,315	4,572	13,264	8,534	34,685
Transfers	-	8,163	914	410	(9,487)	-
Disposals	-	(2,650)	(2,193)	(2,979)	-	(7,822)
<b>At 31 July 2022</b>	<b>5,830</b>	<b>421,662</b>	<b>75,444</b>	<b>91,615</b>	<b>13,990</b>	<b>608,541</b>
<b>Consisting of valuation as at:</b>						
1 August 2014	-	271,159	-	-	-	271,159
31 July 2020	5,830	-	-	-	-	5,830
Cost	-	150,503	75,444	91,615	13,990	331,552
	<b>5,830</b>	<b>421,662</b>	<b>75,444</b>	<b>91,615</b>	<b>13,990</b>	<b>608,541</b>
<b>Depreciation</b>						
At 1 August 2021	-	44,196	34,719	40,506	-	119,421
Charge for the year	-	8,218	4,746	11,204	-	24,168
Disposals	-	-	(2,193)	(2,979)	-	(5,172)
<b>At 31 July 2022</b>	<b>-</b>	<b>52,414</b>	<b>37,272</b>	<b>48,731</b>	<b>-</b>	<b>138,417</b>
<b>Net book value</b>						
<b>At 31 July 2022</b>	<b>5,830</b>	<b>369,248</b>	<b>38,172</b>	<b>42,884</b>	<b>13,990</b>	<b>470,124</b>
At 31 July 2021	5,830	363,638	37,432	40,414	14,943	462,257
<b>University</b>						
<b>Cost or valuation</b>						
At 1 August 2021	5,830	376,190	69,682	73,183	14,943	539,828
Additions	-	9,012	4,588	12,011	6,769	32,380
Transfers	-	8,163	914	410	(9,487)	-
Disposals	-	(2,650)	(2,193)	(2,979)	-	(7,822)
<b>At 31 July 2022</b>	<b>5,830</b>	<b>390,715</b>	<b>72,991</b>	<b>82,625</b>	<b>12,225</b>	<b>564,386</b>
<b>Consisting of valuation as at:</b>						
1 August 2014	-	271,159	-	-	-	271,159
31 July 2020	5,830	-	-	-	-	5,830
Cost	-	119,556	72,991	82,625	12,225	287,397
	<b>5,830</b>	<b>390,715</b>	<b>72,991</b>	<b>82,625</b>	<b>12,225</b>	<b>564,386</b>
<b>Depreciation</b>						
At 1 August 2021	-	40,230	32,263	35,958	-	108,451
Charge for the year	-	7,274	4,786	10,582	-	22,642
Disposals	-	-	(2,193)	(2,979)	-	(5,172)
<b>At 31 July 2022</b>	<b>-</b>	<b>47,504</b>	<b>34,856</b>	<b>43,561</b>	<b>-</b>	<b>125,921</b>
<b>Net book value</b>						
<b>At 31 July 2022</b>	<b>5,830</b>	<b>343,211</b>	<b>38,135</b>	<b>39,064</b>	<b>12,225</b>	<b>438,465</b>
At 31 July 2021	5,830	335,960	37,419	37,225	14,943	431,377

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 were revalued as at 31 July 2020 following a professional revaluation. At 31 July 2022, investment land and buildings included £490,000 (2021 - £490,000) in respect of freehold land which is not depreciated.

## Notes to the Accounts

### for the year ended 31 July 2022

#### 12. Fixed Assets (continued)

At 31 July 2022, freehold land and buildings included £41,972,976 (2021 - £43,243,180) 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
<b>Consolidated</b>				
<b>At 1 August 2021</b>	-	365	1,022	1,387
Fair value adjustments	-	-	(98)	(98)
Impairments	-	(95)	-	(95)
<b>At 31 July 2022</b>	<b>-</b>	<b>270</b>	<b>924</b>	<b>1,194</b>
<b>University</b>				
<b>At 1 August 2021</b>	4,948	241	1,022	6,211
Fair value adjustments	-	-	(98)	(98)
<b>At 31 July 2022</b>	<b>4,948</b>	<b>241</b>	<b>924</b>	<b>6,113</b>

##### Other Investments

The Group holds 32,258 ordinary shares in Experian Plc (2021: 32,258) which were valued at £28.6 per share (2021: £31.7) as per the closing Sell position on the London Stock Exchange as at 31 July 2022.

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

## Notes to the Accounts

### for the year ended 31 July 2022

#### 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	3,976	3,976
Notts TV Limited *	700	160	-

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 (formerly Nottingham Law School Legal Advice Centre 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

		Consolidated	University	Consolidated	University
		2022	2022	2021	2021
Company Name	Shareholding percentage	Value of Investment £'000	Value of Investment £'000	Value of Investment £'000	Value of Investment £'000
<b>Associate</b>	<b>%</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
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	-	-	24	-
ESITU Solutions Limited	49	29	-	100	-
<b>Joint venture</b>					
BioCity Group Ltd (sold in year ended 31 July 2021)	50	-	-	-	-
		<b>270</b>	<b>241</b>	<b>365</b>	<b>241</b>

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

The University sold its interest in Biocity Group Limited on 29 March 2021 for £9.6m. The Group's participating interest in BioCity Group Limited related to the net assets in the joint venture arrangement entered into by the University to form BioCity Nottingham Limited with the University of Nottingham and the East Midlands Development Agency (EMDA). Following the abolition of EMDA in March 2012 the University had continued the joint venture arrangement with the University of Nottingham.

BioCity Group Limited owned 75% of BioCity Scotland Limited formed with a minority interest partner. BioCity Scotland Limited was gifted land, plant, equipment and stock by Merck to the value of £11.3m in 2012. BioCity Group Limited was treated as a joint venture as the University was party to a contractual agreement with a party outside the group to undertake an economic activity that is subject to joint control. The last year end of the joint venture before 31 July 2021 is 31 December 2020.

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 2022

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>15 Stock and stores in hand</b>				
Finished goods	387	242	312	232
Goods for resale	110	69	103	51
	<b>497</b>	<b>311</b>	<b>415</b>	<b>283</b>

**16 Debtors: amounts falling due within one year**

Trade debtors	13,454	11,557	7,214	5,470
Amounts due by group undertaking companies	-	1,456	-	1,495
Deferred tax asset	192	-	109	-
Accrued Income	6,135	5,803	6,430	6,189
Prepayments	1,678	1,408	2,431	2,087
Other debtors	240	-	205	-
	<b>21,699</b>	<b>20,224</b>	<b>16,389</b>	<b>15,241</b>

**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	-	22,952	-	23,064
	<b>3,174</b>	<b>26,126</b>	<b>3,174</b>	<b>26,238</b>

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	30,000	30,000	20,000	20,000
	<b>30,000</b>	<b>30,000</b>	<b>20,000</b>	<b>20,000</b>

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 balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2022 the weighted average interest rate of these fixed rate deposits was 0.98% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 34 days.

**19 Creditors : amounts falling due within one year**

	Note	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans		-	-	-	-
Salix Finance Loan	20	198	198	223	223
Amounts due to group undertaking companies		-	867	-	388
Trade creditors		5,851	4,678	5,320	3,676
Social security and other taxation payable		9,061	8,740	9,234	8,903
Corporation tax payable		-	-	-	-
Other creditors		2,866	2,696	1,477	1,270
General accruals		22,752	21,166	22,150	20,954
Deferred income		24,669	24,208	18,984	18,675
		<b>65,397</b>	<b>62,553</b>	<b>57,388</b>	<b>54,089</b>

*Deferred income*

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

Tuition fee income		15,580	15,481	9,384	9,298
Government non-recurrent grant income	30	2,208	2,208	1,999	1,999
Research grant income		3,401	3,401	4,071	4,071
Other grant income		1,199	1,180	1,467	1,455
Other income		2,281	1,938	2,063	1,852
		<b>24,669</b>	<b>24,208</b>	<b>18,984</b>	<b>18,675</b>

## Notes to the Accounts

### for the year ended 31 July 2022

	Note	Year Ended 31 July 2022		Year Ended 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>20 Creditors : amounts falling due after more than one year</b>					
Other creditors		9	9	24	24
Government non-recurrent grant deferred income	30	70,537	70,537	69,593	69,593
		<b>70,546</b>	<b>70,546</b>	<b>69,617</b>	<b>69,617</b>
Salix Finance Loans		81	81	279	279
Bank loans		40,000	40,000	40,000	40,000
Other loans		44,000	44,000	44,000	44,000
Total bank and other loans		<b>84,081</b>	<b>84,081</b>	<b>84,279</b>	<b>84,279</b>
		<b>154,627</b>	<b>154,627</b>	<b>153,896</b>	<b>153,896</b>

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

<b>Due within one year</b>	<b>198</b>	<b>198</b>	<b>223</b>	<b>223</b>
Due between one and two years	78	78	199	199
Due between two and five years	3	3	80	80
Due in five years or more	84,000	84,000	84,000	84,000
<b>Due after more than one year</b>	<b>84,081</b>	<b>84,081</b>	<b>84,279</b>	<b>84,279</b>
<b>Total debt</b>	<b>84,279</b>	<b>84,279</b>	<b>84,502</b>	<b>84,502</b>

#### Analysis of debt by repayable date:

Loan repayable by 2021	-	-	-	-
Loan repayable by 2023	110	110	219	219
Loan repayable by 2025	169	169	283	283
Loan repayable by 2038	40,000	40,000	40,000	40,000
Loan repayable by 2043	44,000	44,000	44,000	44,000
	<b>84,279</b>	<b>84,279</b>	<b>84,502</b>	<b>84,502</b>

<b>Lender</b>	<b>Original loan £'000</b>	<b>Rate of Interest</b>
Salix Finance Limited	2,036	0.00%
Royal Bank of Scotland	40,000	5.53%
3.01% loan notes	44,000	3.01%
<b>Total</b>	<b>86,036</b>	

The £40m and the £44m are repayable in a single amount at the end of the loan period. The Salix loans are repayable in instalments over the loan period. All loans are unsecured.

The £40m loan was repaid on 11 October 2022.

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.

## Notes to the Accounts

### for the year ended 31 July 2022

#### 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 2021	3,147	12,690	386,947	402,784	4,016
Utilised in year	-	(791)	-	(791)	-
Movement in year - Income	-	-	-	-	(2,670)
Additions in year - Operating cost	3,466	-	29,718	33,184	-
Additions in year - Interest	27	203	6,090	6,320	-
Actuarial (gain)/loss	-	(1,660)	(300,729)	(302,389)	-
<b>At 31 July 2022</b>	<b>6,640</b>	<b>10,442</b>	<b>122,026</b>	<b>139,108</b>	<b>1,346</b>

##### 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	3.3%
Inflation Rate	2.9%

##### Other provision

The other provision relates to potential repayment of income.

#### 22 Deferred taxation asset

##### Consolidated only

	2022 £'000	2021 £'000
Accelerated capital allowances	54	39
Short term timing differences	4	4
Tax losses carried forward and other deductions	134	66
	<u>192</u>	<u>109</u>

##### Movement in asset

	£'000
At 1 August 2021	109
Deferred tax charged in the statement of comprehensive income and expenditure	83
<b>At 31 July 2022</b>	<u><b>192</b></u>



## Notes to the Accounts

### for the year ended 31 July 2022

#### 23 Endowment Reserves

	Consolidated and University		
	Restricted	2022	2021
	Expendable	Total	Total
	£'000	£'000	£'000
<b>Balances at 1 August</b>			
Capital	4,839	4,839	4,960
Accumulated income	-	-	-
	<b>4,839</b>	<b>4,839</b>	<b>4,960</b>
New endowments	50	50	75
Investment income	22	22	17
Expenditure	(237)	(237)	(213)
<b>Total endowment comprehensive income for the year</b>	<b>(165)</b>	<b>(165)</b>	<b>(121)</b>
<b>At 31 July</b>	<b>4,674</b>	<b>4,674</b>	<b>4,839</b>
<b>Represented by:</b>			
Capital	4,674	4,674	4,839
Accumulated income	-	-	-
	<b>4,674</b>	<b>4,674</b>	<b>4,839</b>
<i>Analysis by type of purpose:</i>			
Research support	4,674	4,674	4,839
	<b>4,674</b>	<b>4,674</b>	<b>4,839</b>
<i>Analysis by asset</i>			
Current and non-current asset investments		-	-
Cash & cash equivalents		4,674	4,839
		<b>4,674</b>	<b>4,839</b>

Restricted expendable endowments represents £4.67m relating to connected institutions under paragraph 28 Schedule 2 of the Charities Act 2011, for funds received from the Van Geest Foundation Cancer Research Fund, a charitable trust established 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.

#### 24 Restricted Reserves

Reserves with restrictions are as follows:

	Consolidated and University		
		2022	2021
	Donations	Total	Total
	£'000	£'000	£'000
<b>Balances at 1 August</b>	<b>288</b>	<b>288</b>	<b>148</b>
New grants	-	-	-
New donations	66	66	275
Capital grants utilised	-	-	-
Expenditure	(195)	(195)	(135)
<b>Total restricted comprehensive income for the year</b>	<b>(129)</b>	<b>(129)</b>	<b>140</b>
<b>At 31 July</b>	<b>159</b>	<b>159</b>	<b>288</b>
<i>Analysis of other restricted funds /donations by type of purpose:</i>			
Lectureships		-	-
Scholarships and bursaries		53	26
Research support		-	-
Prize funds		7	7
General		99	255
		<b>159</b>	<b>288</b>

**Notes to the Accounts**  
for the year ended 31 July 2022

**25 Cash and cash equivalents**

**Consolidated**

	At 1st August 2021 £'000	Cash Flows £'000	At 31st July 2022 £'000
Cash and cash equivalents	124,200	38,140	162,340

**26 Reconciliation of net debt**

	£'000	
<b>Net debt 1 August 2021</b>		(39,698)
Movement in cash and cash equivalents		(38,140)
Repayment of unsecured loans and finance leases		(222)
<b>Net debt 31 July 2022</b>		<b>38,362</b>
<b>Change in net debt</b>		<b>(78,060)</b>
<b>Analysis of net debt:</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents</b>	<b>(162,340)</b>	<b>(124,200)</b>
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	198	223
Obligations under finance leases	-	-
	<b>198</b>	<b>223</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured loans	84,081	84,279
	<b>84,081</b>	<b>84,279</b>
<b>Net debt</b>	<b>(78,061)</b>	<b>(39,698)</b>

## Notes to the Accounts

### for the year ended 31 July 2022

#### 27 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2022:

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	<b>13,804</b>	<b>13,401</b>	11,452	11,368

#### 28 Contingent liabilities

There are no contingent liabilities at the year end.

#### 29 Operating lease obligations

Total rentals payable under operating leases:

	Plant and Machinery £'000	Land and buildings £'000	Total 2022 £'000	Total 2021 £'000
<b>Payable during the year</b>	<b>516</b>	<b>1,319</b>	<b>1,835</b>	1,163
<b>Future minimum lease payments due:</b>				
Not later than 1 year	<b>189</b>	<b>1,197</b>	<b>1,386</b>	1,060
Later than 1 year and not later than 5 years	<b>120</b>	<b>4,464</b>	<b>4,584</b>	2,550
Later than 5 years	-	<b>17,252</b>	<b>17,252</b>	7,184
<b>Total lease payments due</b>	<b>309</b>	<b>22,913</b>	<b>23,222</b>	10,794

#### 30 Government non-recurrent grant deferred income

	Consolidated and University		2021 Total £'000
	Funding Councils £'000	Other Grants £'000	
Balances at 1 August - Buildings only	<b>56,302</b>	<b>15,290</b>	63,964
New grants	<b>2,302</b>	<b>950</b>	9,412
Release to income statement	<b>(1,559)</b>	<b>(540)</b>	(1,784)
<b>At 31 July - Buildings only</b>	<b>57,045</b>	<b>15,700</b>	71,592
<i>Analysed by:</i>			
Creditors : amounts falling due within one year			2,208
Creditors : amounts falling due after more than one year			70,537
			<b>72,745</b>

## Notes to the Accounts

### for the year ended 31 July 2022

#### 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 (formerly Nottingham Law School Legal Advice Centre 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
<b>within Consolidated Financial Statements</b>				
Van Geest Cancer Research Fund	4,960	72	(237)	<b>4,795</b>
Nottingham Trent University Trust Fund	180	-	-	<b>180</b>

## Notes to the Accounts

### for the year ended 31 July 2022

#### 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 2022		Year Ended 31 July 2021	
		£'000	£'000	£'000	£'000
TPS:	Contributions Paid		16,717		15,575
USS:	Contributions Paid	1,578		1,572	
	Pension operating costs	3,466		18	
			5,044		1,590
LGPS	Contributions Paid	10,894		10,126	
	Pension operating costs - administration charge	179		178	
	Pension operating costs	29,539		22,730	
			40,612		33,034
	Enhanced pension contributions		198		203
	Past Service liability contributions		1,612		1,557
<b>Pension Cost for year - University</b>			<b>64,183</b>		<b>51,959</b>
Other pension contributions			289		253
<b>Pension Cost for year - Consolidated</b>			<b>64,472</b>		<b>52,212</b>

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 pension cost is normally assessed every four years in accordance with the advice of the Government Actuary. The latest actuarial valuation of the TPS is as at 31 March 2016 and contains assumptions and other relevant data that have the most significant effect on the determination of the contribution levels as follows:

##### TPS Fund position at last valuation

Valuation Method	Prospective benefits
Market value of assets at date of last valuation	£ 196,100 m
Proportion of members' accrued benefits covered by the actuarial value of assets	90%
Salary scale increases per annum	4.00%

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

##### Universities' Superannuation Scheme

Deficit recover contributions due within one year are £98,000 (2021:£ 94,000)

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 2020

#### 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:

	2022	2021
Males currently aged 65 years	23.9	24.7
Females currently aged 65 years	25.5	26.1
Males currently aged 45 years	25.9	26.7
Females currently aged 45 years	27.3	27.9

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:

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	3.50%	3.50%

The employers' contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.10%
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 2019 and set contributions for the period April 2020 to March 2023. During this accounting period the University's minimum employer contributions were 15.3% , whilst a separate lump sum payment of £4.78m is payable over the three year valuation period to fund past service liabilities. The fund position as at 31 March 2019 is detailed below:

Value of Assets	£5,433m
Funding level for accrued benefit	93%
Investment return per annum to meet future service liabilities	
- equities	6.7%
- gilts	1.7%
- property	6.1%
- cash	0.8%
- inflation linked fund	5.6%
Long term pay scale increases per annum	3.6%
Consumer price inflation	2.6%
Pension increase per annum	2.6%

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 2022, the Actuary rolled forward the value of the University's liabilities calculated for the funding valuation as at 31 March 2019, 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 2019 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 2022

#### 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 life 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 2022 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 2022 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 2019). The post retirement mortality tables adopted are S3PA tables with a multiplier of 110% for males and 105% 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 2022 were:

	2022	2021
<i>Financial assumptions (referenced to market conditions at 31 July 2022)</i>	% p.a	% p.a
Discount Rate	3.40%	1.60%
Pension increases	2.75%	2.80%
Salary increases	3.75%	3.80%

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.

	2022	2021
<i>Mortality assumptions (life expectation from age 65)</i>		
Retiring today	Males	21.6
	Females	24.4
Retiring in 20 years	Males	23.0
	Females	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 2022 attributable to the University is as follows:

	31 July 2022		31 July 2021	
	£'000	%	£'000	%
Equities	218,513	59%	231,155	65%
Gilts	8,772	2%	11,649	3%
Other bonds	25,751	7%	22,479	6%
Property	54,031	14%	36,491	10%
Cash	21,305	6%	14,542	4%
Inflation-linked pool funds	19,443	5%	17,054	5%
Infrastructure	24,982	7%	19,297	5%
Unit trust	-	0%	3,403	1%
	<b>372,797</b>		<b>356,070</b>	

The University's financial position in the LGPS Scheme as at 31 July 2022 is:

	2022	2021
	£'000	£'000
Fair value of Fund assets	372,797	356,070
Present value of defined benefit obligation	(492,028)	(739,606)
Surplus / (Deficit)	(119,231)	(383,536)
Present value of unfunded obligation	(2,795)	(3,411)
<b>Net defined benefit asset / (liability)</b>	<b>(122,026)</b>	<b>(386,947)</b>

The 2023 PI Order is used to set the level of pension increases, deferred revaluation and CARE revaluation with effect from 1 April 2023. This is expected to be significantly higher than the CPI assumption as at 31 July 2022. The PI Order is typically set with reference to the change in CPI inflation over the 12 months to the previous September (announced in October), so the 2023 PI Order is expected to be set with reference to the September 2022 CPI. The change in CPI over the 12 months to September 2022 was 10.1%.

The actual 2023 PI Order is not automatically set with reference to the September CPI. This is only known with certainty in March, once this has been approved by Parliament. It is possible that the actual PI Order will be lower than the change in CPI over the 12 months to September 2022. It is due to this uncertainty that the standard assumptions and approach as at 31 July 2022 make no allowance for a 2023 PI Order of the order of 10.1%. It is common practice for pensions disclosures to recognise experience as and when this

The effect of recognising the 2023 PI order in the balance sheet as at 31 July 2022 would increase the value of the obligations by £25.7m to £147.7m.

**Notes to the Accounts**  
for the year ended 31 July 2022

**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*

	2022	2021
	£'000	£'000
<b>Opening defined benefit and unfunded obligation</b>	<b>743,017</b>	<b>657,133</b>
Current service cost	42,126	34,537
Interest cost	11,847	9,172
Past service costs, including curtailment	-	-
Contributions	4,808	4,497
Benefits paid net of transfers in	(9,909)	(8,600)
Change in financial and demographic assumptions and experience loss/(gain)	(297,066)	46,278
<b>Closing defined benefit and unfunded obligation</b>	<b>494,823</b>	<b>743,017</b>

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

	2022	2021
	£'000	£'000
<b>Opening fair value of Fund Assets</b>	<b>356,070</b>	<b>302,905</b>
Interest on assets	5,757	4,294
Return on assets less interest	3,663	41,345
Administration expenses	(179)	(178)
Other actuarial gains/(losses)	-	-
Contributions by University including unfunded	12,587	11,807
Contributions by Scheme participants	4,808	4,497
Benefits paid net of transfers in	(9,909)	(8,600)
<b>Closing fair value of Fund Assets</b>	<b>372,797</b>	<b>356,070</b>

*Actuarial gain/(loss) in other comprehensive income*

	2022	2021
	£'000	£'000
Return on Fund assets in excess of interest	3,663	41,345
Other actuarial losses on assets	-	-
Change in financial assumptions	277,747	(65,597)
Change in demographic assumptions	8,202	8,202
Experience gain/(loss) on defined benefit obligation	11,117	11,117
<b>Actuarial gain/(loss) of the net assets/defined liability</b>	<b>300,729</b>	<b>(4,933)</b>

*Sensitivity analysis*

	£'000	£'000	£'000
Adjustment to discount rate	+0.1%	+0.0%	-0.1%
Present value of total obligation	483,052	494,823	506,892
Projected service cost	18,154	18,974	19,823
Adjustment to long term salary increase	+0.1%	+0.0%	-0.1%
Present value of total obligation	496,053	494,823	493,604
Projected service cost	18,985	18,973	18,962
Adjustment to pension increases and deferred revaluation	+0.1%	+0.0%	-0.1%
Present value of total obligation	505,727	494,823	484,185
Projected service cost	19,826	18,974	18,152
Adjustment to life expectancy assumptions	+ 1 Year	None	- 1 Year
Present value of total obligation	511,743	494,823	478,499
Projected service cost	19,672	18,974	18,295

*Projected pension expense for the year to 31 July 2023*

	2022	2021
	£'000	£'000
Service Cost	18,974	39,380
Net interest on defined liability / (asset)	3,936	6,097
Administration expenses	184	182
<b>Total loss / (profit)</b>	<b>23,094</b>	<b>45,659</b>
<b>Employer contributions</b>	<b>12,481</b>	<b>11,678</b>



## Notes to the Accounts

### for the year ended 31 July 2022

#### 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 C Naughton 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 £1.8m 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	-	69	-	-
Digital Catapult Services Limited	-	305	-	-
Nottingham Festival of Science and Curiosity Limited	-	10	-	5
Shakespeare Martineau LLP	-	19	-	-
Universities UK	-	41	-	39

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

The Director of Finance is a director of U.M.Association Limited, a company which provides insurance brokerage services to the university.

#### 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.

	2022 £'000	2021 £'000
<b><i>Learner support funds</i></b>		
Education and Skills Funding Agency grants	76	81
Interest earned	-	-
	<u>76</u>	<u>81</u>
Disbursement to students	(76)	(57)
Balance unspent as at 31 July	<u>-</u>	<u>24</u>
<b><i>Healthcare education and training staff</i></b>		
Healthcare education and training staff	40	14
Interest earned	-	-
	<u>40</u>	<u>14</u>
Disbursement to students	(20)	(14)
Balance unspent as at 31 July	<u>20</u>	<u>76</u>
<b><i>Department for Education bursaries</i></b>		
Department for Education bursaries	1,298	2,581
Interest earned	-	-
	<u>1,298</u>	<u>2,581</u>
Disbursement to students	(1,217)	(2,505)
Balance unspent as at 31 July	<u>81</u>	<u>76</u>

## Notes to the Accounts

### for the year ended 31 July 2022

#### 36 Access and participation

	Year Ended 31 July 2022		Year Ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Access investment	2,610	2,553	2,096	2,038
Financial support	9,093	9,093	10,131	10,131
Support for disabled students	1,537	1,390	852	818
Research and evaluation	726	726	210	210
	<b>13,966</b>	<b>13,762</b>	<b>13,289</b>	<b>13,197</b>

Access and participation expenditure includes £3,916,000 (2021: £2,468,000) of staff costs. These costs are also included in the overall staff costs figures for financial statements note 7.

Investment in the Access and Participation for 2021/22 is 23% higher than the original plan.

An additional £1.2m has been spent on financial support as a result of the University having more low-income/bursary eligible students and increasing the amount of hardship payments being made available. Financial support has reduced relative to prior year due to the one off £1.6m of financial support given following the funding received from the Ofs in 2020/21 to provide support for students facing challenges because of the pandemic.

Access spend has increased from prior year as activities such as Outreach that were restrict due to the pandemic in 2020/21 have been able to substantively increase.

Investment in support for Disabled Students has also increased in 2021/22 in recognition of the student demand for these services and support.

Success and Progression activities are no longer formally reported on but spend on these activities across the university amounted to £4.3m in 2021/22.

The university access and participation plan can be found at

[https://apis.officeforstudents.org.uk/accessplansdownloads/2024/NottinghamTrentUniversity\\_APP\\_2020-21\\_V1\\_10004797.pdf](https://apis.officeforstudents.org.uk/accessplansdownloads/2024/NottinghamTrentUniversity_APP_2020-21_V1_10004797.pdf)

#### 37 Post balance sheet event

On 17 October 2022, the University repaid its £40m bank loan with Royal Bank of Scotland.

## Notes to the Accounts

### for the year ended 31 July 2022

#### 37 US loans supplementary schedule - Sterling £

##### Basis 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 2022		Year Ended 31 July 2021	
			£'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		325,406		6,854
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		4,833		5,127
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)		470,124		462,257
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		378,197		391,071
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		77,937		63,884
Notes 12 and 19	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		13,990		7,302
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		1,689		2,243
Statement of Financial Position	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		139,108		402,784
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		84,000		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		84,000		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		-		-
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		-		5,127
n/a	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		4,833		-
<b>Total Expenses and Losses</b>						
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		395,612		349,822
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)		(302,750)		(3,778)
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		(361)		(8,819)
n/a	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs		-		-
<b>Modified Net Assets</b>						
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		325,406		6,854
Statement of Financial Position and Changes in Reserves	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		4,833		5,127
Statement of Financial Position	Statement of Financial Position - Goodwill	Intangible assets		1,689		2,243
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		-		-
<b>Modified Assets</b>						
Statement of Financial Position	Statement of Financial Position - Total Assets	Total Assets		690,717		630,065
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		1,689		2,243
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		-		-
<b>Net Income Ratio</b>						
Statement of Changes in Reserves	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions		318,553		24,288
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		411,037		369,253