

The University of Northampton

Annual Report and Consolidated Financial Statements for the year ended 31 July 2023



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Introduction to Strategic Report

The annual report of the University of Northampton (hereafter referred to as 'the University' or 'UON') covers the period from 1 August 2022 to 31 July 2023. Following the appointment of a new Vice Chancellor in August 2022, the University developed its new strategy over 2022- 2023. This report is therefore made against the University's key performance indicators (KPIs) for the 2022-2023 academic year, focusing on the themes and outcomes of these indicators. Over the reporting period, the KPIs set the University's objectives and its strategy for achieving those objectives.

The presentation and publication of this annual report is not in accordance with the deadline set by the Office for Students due to the late completion of the audit of the previous year.

Legal and administrative information

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Northampton

NN1 5PH

External auditors

MHA

2 London Wall Place

London

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RSM

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Bankers

Lloyds Banking Group

Black Horse House

Progression Centre

42 Mark Road

Hemel Hempstead

Hertfordshire

HP2 7DE

Investment managers

Kingswood Group

10 – 11 Austin Friars

London

EC2N 2HG

Charitable status of the University

The University's legal status is a Higher Education Corporation created under the Education Reform Act 1988. As a Higher Education Corporation, the University is an exempt charity. This means that it has charitable status but is not registered with the Charity Commission. The University is regulated by the Office for Students, which is the principal regulator of those higher education institutions in England that are exempt charities.

Our impact and public benefit

Our statement of public benefit

The University's charitable purpose is the advancement of education. The main beneficiary of our charitable purpose is our large and diverse student body. We have a transformative purpose: to deliver social impact and make a positive difference. We do this by providing students with a first-class education that equips them to play a productive part in the world.

This report contains details about our student body and our activities to support and ensure successful outcomes for them. This demonstrates how we have delivered our charitable purpose for the public benefit.

We also deliver additional public benefit through the wider social value that the University creates in the broad communities in which it works and serves.

Overview of 2022-23

Social Impact

- The University retained a top 200 position in the 2023 global Times Higher Education Impact Rankings. The [rankings](#) show how higher education institutions from around the world are working towards and progressing the United Nations' Sustainability Development Goals. The University is ranked 25th for its sustainable use of land, and 29th in reducing inequality.
- Our social impact report was published in December 2022, reporting on data collected August 2021 – July 2022. It showed that the total impact created equated to over £17 million.
- According to our social impact report, 70.5% of our First and Upper Second-class degrees are given to people from the top 40% most disadvantaged areas. 74.5% are given to people from the bottom 20% areas for participation in higher education.
- June 2023 saw the launch of the [Northamptonshire Anchor Institutions Network](#). Almost two dozen public, private and third-sector organisations signed a pledge to seek best practice, measure impact and hold each other to account as they work towards empowering the next generation, creating employment opportunities and social value from local investment and enhancing sustainability.

Our students' experience

- We started the New Year 2023 by creating a taskforce to help support students and staff through the Cost-of-Living crisis.
- October 2022 marked the 30th anniversary of World Mental Health Day, and the University of Northampton celebrated its own milestone for mental health as we celebrated 25 years of offering dedicated mental

health support at UON and being the first UK university to have a dedicated mental health service. The service has nine Mental Health Advisers and Disability Support Allowance (DSA) funded mentors who support prospective and current undergraduate and postgraduate students.

Our staff

- Over the 2022/23 academic year the University welcomed seven new professors and 11 new Associate Professors, and two new National Teaching Fellows with a third awarded in July 2023, adding to the roll call of leadership in innovation, research and teaching excellence across the University.
- A restructure of senior staffing led to a new alignment of departments and directorates to support delivery of the new University strategy.

Campus, place and communities

- The University celebrated five years since the opening of the Waterside Campus with a series of events for staff, students and the local community. This included an event held to celebrate those members of staff who had been working at the University for between 10 and 19 years, the Vice Chancellor's Inaugural Lecture and the hosting of Northampton Pride celebrations.
- July 2023 saw UON partner with West Northamptonshire Council (WNC) and North Northamptonshire Council (NNC) on the 5th annual demonstration of digital innovation in Northampton, [Merged Futures](#), showcasing the work of University students and staff, as well as local firms who are on the leading edge of digital innovation.

- In some of our sports and well-being initiatives, the University became a partner in the first Emerging Talent Centre to develop young female footballing talent. The University celebrated 10 years in partnership with Northampton Town Football Club in June 2023, with successes including student placement opportunities. In July, we welcomed more than 100 runners for the first University of Northampton parkrun. Finally in September the University delivered its first international, joint conference – with the Association of Dementia Research and Education – about community solutions to support people with a diagnosis of dementia.
- In June 2023, we welcomed more than 2,500 local school students and staff to campus, as part of STEAM Northants, an annual event designed for young people to find out more about careers in art, engineering, health, science and technology, and meet representatives from those sectors.

Inclusivity

- August 2022 saw the creation of a new research centre committed to understanding and tackling racial inequalities. [The Centre for the Advancement of Racial Equality \(CARE\)](#) combines resources, research and knowledge and links experts and thought leaders.
- In October 2022 we celebrated Black History Month and our Global Ethnic Majority (GEM) staff network hosted the third [Black in the Ivory](#) conference, honouring [phenomenal women of colour](#).
- July 2023 started with UON hosting Northampton Pride, in collaboration with West Northamptonshire Council (WNC) and many community groups and third sector organisations, providing an opportunity for the University and local community to stand together in solidarity LGBTQ+ communities.

Sustainability

- In May 2023 the University held its first [Sustainability Summit](#). We welcomed more than 150 delegates from over 40 different businesses, charities, higher education institutions and local authorities to identify shared sustainability challenges and establish an action plan to address these through collaborative research, enterprise and knowledge exchange. Attendees committed to being part of the solution to improving sustainability across the county, and to monitor their progress in pursuing shared sustainability goals.

How we work

- March 2023 saw the launch of the University's IT strategy. Our use of IT underpins and supports the way the work. The new strategy provides a framework for achieving IT excellence over the next five years. It focuses on eight core themes, including IT for efficiency and effectiveness, reliable and simple IT, information and business intelligence, improved student experience, improved academic IT, improved student administration, user empowerment, and enhanced information security.

Summary of key performance indicator achievement

This chart shows how the University performed against its key performance indicators for the reporting period. Each key performance indicator included separate targets.

| Key performance indicator | Outcome |
|----------------------------------|---------|
| Integrated and holistic planning | ✓ |
| Financial sustainability | ✓✓ |
| Student recruitment | ✓✓✓ |
| Student experience | ✓✗✗✗✗ |
| Staff experience | ✓✗✗ |
| Research | ✗✗ |

Further details about each key performance indicator are given in the following sections of the report including the objective, performance, and risks and opportunities.

Integrated and holistic planning

Objective

Our objective in 2022-23 was **to create and embed a more robust planning system and methodology which is integrated, holistic and future focussed.**

Performance

This objective was achieved.

| Target | Outcome |
|--|---|
| All directorates and faculties to prepare five-year strategic plans to articulate future vision and development. These will build on existing planning by increasing the length of planning timeframes and introducing consistency across the University. | Achieved. Strategic and operational plans reviewed and approved by the University Leadership Team. |

Risks and opportunities

Risks

There is a risk that **political change** damages the University and the higher education sector. During the year, changes were announced to visas for the families of overseas students, resulting in a reduction in the recruitment of these students and therefore an impact on income. As a mitigation, the University is beginning to re-engage with markets where students are less likely to bring dependents with them to study. The Higher Education (Freedom of Speech) Act

was introduced, which has the potential to increase regulatory costs. There is also continued pressure on public finances.

The University has continued to track **compliance risk**. This includes compliance with the Office for Students' Conditions of Registration. In respect of the current set of accounts, the University is not filing in accordance with the deadline set by the Office for Students due to the late completion of the audit of the previous year.

In 2022/23 Data Futures, the new sector-wide approach to the way institutions return **data about their students** to the Higher Education Statistics Agency (HESA) was introduced. The implementation of Data Futures was complex across the HE sector. For the University, this produced a risk that the return would not be submitted on time, triggering non-compliance. There is a future risk that the quality of data about the sector is not as robust as in previous years. This may have an impact on the allocation of funding and on league table positions.

The severity of the risk that the University did not meet its legal or statutory obligations under the **General Data Protection Regulation** grew over 2022-23 due to staffing changes. To mitigate, the area was given more prominence in the University's leadership structure and the recruitment of a new permanent team began.

Academic partnerships continued to be a risk over 2022-23. Partnerships can cause an adverse regulatory, reputational and financial impact for the University. As reported in the previous annual report, this risk crystallised in 2021-22. Over 2022-23, the University continued its response to the

situation. This included an independent review of the University's academic partnership arrangements and reviewing individual partnerships.

As part of the development of holistic planning, the University managed risks related to **infrastructure and projects**. The risk of **cyber-attack** crystallised during 2021 and remains high. The University has invested in infrastructure, IT security measures, training, and staff to improve the strength of its approach. The University identified several projects to improve the student experience and the efficiency of the operation. The project to implement a new **Student Record System** continued over the reporting period. A failure of this project could also impact on student recruitment, retention, and compliance. The University established an IT Strategy Board, reporting to the University Leadership Team to manage the overall approach to IT projects and developments. There is a risk that the **University's estate** limits the University's appeal to students, applicants, and also staff, or limits our development. Over 2022-23, we prepared an Estate Development Framework which was published alongside the new Strategy.

Opportunities

There is an opportunity to build on directorate and faculty five-year plans to ensure that developments at business-unit level are linked **to the University's overall strategy and planning**.

Building on the Estate Development Framework, there are opportunities to **develop and capitalise on our estate**. These are covered in more detail in later sections.

Alongside holistic planning we can improve efficiency and the student and staff experience by ensuring that our **IT infrastructure** supports these.

Whilst it is recognised that academic partnerships remain a high risk, the review of our partnerships creates an opportunity to **build and maintain a portfolio of sustainable partnerships** that enhance the University's reputation, align with our values, generate income, and provide opportunities for students and staff.

Development of the new University strategy

Over the reporting period, a new University strategy was developed through a process of co-creation with staff, students and the broader University community.

- Through the winter of 2022/23, we held a range of face-to-face and online events where staff from across the University came together to discuss our ambitions. We also sourced ideas from across our staff body through a dedicated survey and spoke to students about what is most important to them.
- We referred to existing data where available and held focused conversations with the University Leadership Team and Board of Governors.
- A draft version of the strategy was circulated for consultation in June 2023, and final revisions were made based on feedback received.

Senior leadership reorganisation

With the arrival of the new Vice Chancellor in August 2022 and the appointment of the new Chief Operating Officer, it was timely to consider organisational

structure, ensuring it was optimum, fit for purpose and appropriate to support strategy implementation and future University success.

The re-organisation, which primarily affected Professional Service departments, was informed by sector best practice and extensive staff consultation. The revised organisational structure, with new departments incorporating Global Engagement, Marketing and Student Recruitment, Governance, Compliance and Risk, Student Futures, Research and Knowledge Exchange, and Equality and Access, was implemented at the end of the reporting year.

Financial sustainability

Objective

Our objective in 2022-23 was **to deliver the planned financial outcome and take measures to ensure the long-term financial sustainability of the institution.**

Performance

This objective was achieved.

| | Census Date | Actual | | | Target 22/23 |
|---|-------------|--------|-------|-------------|--------------------|
| | | 20/21 | 21/22 | 22/23 | |
| Deliver an HDSCR (Historical Debt Service Coverage Ratio) of between 1.25x and 1.5x at the census dates to maximise utilisation of cash for the benefit of the University'. | 30 Nov 2022 | 2.35 | 0.18* | 1.89 | 1.25-1.50 or above |
| | 31 May 2023 | 1.54 | 1.85* | 1.56 | 1.25-1.50 or above |

* = readjusted following audit

Risks and opportunities

Risks

The University is restricted by **financial covenants** put in place when the £231.5m bond was issued to build the Waterside Campus. The University must

generate positive cash flows each year while maintaining a debt service cover ratio of 1.5. These financial covenants restrict the University's capacity for additional capital expenditure. This could impair our ability to maintain the campus infrastructure and to operate effectively and in line with market expectations.

The management of the covenants continued to be difficult over 2022-23 as we have little control of the external factors which had an impact on our expenditure, and the amount that we can charge students is constrained. This means that a growth in income requires a growth in student numbers.

Additionally, due to the identification of an issue with a partnership, the risk of a delay to **the completion of the audited annual accounts for 2021-22** crystallised in 2022-23. The Office for Students' submission deadline was missed, creating regulatory risk, and the risk of damaging our credibility with the bond holder.

The ongoing **cost of living crisis and energy price increases** created additional risk that the University could not meet its covenants due to rising costs. This was mitigated by incorporating inflationary increases into budget planning. Over 2022-23, there was also the risk that **inflationary pressures on staff and students exacerbated other risks**. For staff this linked to expectations of pay and to recruitment and retention costs. For students there was potential that it could affect their choice of university and accommodation and the retention of students on courses.

Compliance with the requirements of UK Visas and Immigration policy is a statutory requirement, and therefore the risk of non-compliance and associated

financial loss remained throughout 2022-23. To address this risk a new Global Engagement directorate was created to ensure greater oversight of activities associated with international recruitment and the recruitment and management of international students has sufficient prominence at executive level in the University.

Opportunities

To ensure compliance with bond covenants and ongoing financial sustainability the University has established **strong financial controls** including Board-level scrutiny and challenge. There are opportunities for income growth and diversification, for example through educational partnerships. In its Waterside Campus, the University has a £330m facility built with openness, accessibility and sustainability in mind. There are opportunities to grow the use of the campus for example for events, building relationships with the community and generating new income.

There are opportunities from **working in partnership**. The University continues to work to consolidate and strengthen relationships with professional, industry and local educational partners to diversify provision and increase income streams. As the only university in the county, the University is in a good position to work with others locally and regionally and continues to explore these opportunities.

UON are committed to achieving Net Zero Carbon in Scope 3 Emissions by 2050, with information suggesting this ambition is progressing positively. Information on environmental impact illustrates that UON have reduced electricity

consumption by 20% across the estate in comparison to 2019/2020 ([uon-social-impact-report-2021-22.pdf \(northampton.ac.uk\)](#)) .

Financial Review

Income and expenditure

The financial review considers the financial performance of the Group.

In 2022/23 total income increased £37.7m (25.6%) to £184.6m (2021/22: £146.9m). This increase can be largely attributed to an increase in overseas students; demand for places increased during and immediately after the COVID-19 pandemic when the Australian and New Zealand markets closed its borders and thus ceased accepting overseas students and has remained high up until early 2023.

Tuition fee income grew by £33.8m (27%) to £159.4m per the Statement of Comprehensive Income (2021/22: £125.5m). Tuition fees now represent 86.3% of total income (2021/22: 85.4%). Full-time fees from Home/EU students were £84.2m (2021/22: £78.5m), accounting for 45.6% of the total income of the University and 52.8% of total tuition fees (2021/22: 53.4% and 62.5% respectively). Fees from International students totalled £53.9m (2021/22: £29.5m).

Operating income increased by £2.5m to £16.9m (2021/22: £14.4m) as a direct result of additional student recruitment - an increase in student residence and catering income was realised during 2022/23. Funding body grants increased by £0.9m to £7m (2021/22: £6.1m) and research income increased by £0.23m to £1.1m (2021/22: £0.87m). Interest rates rose significantly during 2022/23 resulting in an increase in interest received of £0.211m to £0.218m (2021/22: £0.007m). As in previous years, the largest category of expenditure (43.1%) relates to staff costs, which increased by £1.4m to £79m (2021/22: £77.6m), reflecting the impact of negotiated pay rises in the year.

Other operating expenditure has increased by £19.5m to £84m (2021/22: £64.5m) as a result of increased franchise fees relating to partnerships and overseas agents' fees and scholarships owing to the significant intake of overseas students during 2022/23.

The Newton Building was sold during 2022/23 for a sales price of £1.95m, this further boosted the University's cash reserves during 2022/23.

Despite the substantial increase in tuition fee income, expenditure levels also increased. This increase can be attributed to two main factors: additional franchise fees, overseas agents commission, scholarships and bursaries associated with the increase in overseas students and an unprecedented rise in inflation at the end of 2022 resulting in significant increases in the cost of utilities and consumables during 2022/23.

All of these factors have directly contributed to the consolidated surplus before taxation of £3.1m (2021/22: Deficit before taxation of £23m).

Cash flow

The net cash inflow from operating activities totalled £24.1m (2021/22: £31.4m). The sale of the Newton Building on Avenue Campus during the year realised £1.95m, payments to acquire fixed assets equated to £1.5m and investment income was recorded at £1.6m during 2022/23 due to rising interest rates. These movements combined to deliver a net decrease in cash and short-term deposits of £(7.6)m (2021/22: £8.5m) and a consolidated Balance Sheet total of cash of £7.2m (2021/22: £14.7m) and short-term deposits of £66m (2021/22: £44.3m). The aggregate increase in cash and current investment balances was in line with financial planning.

The University pursues a low-risk approach to managing investments and liquidity. In balancing risk against return, the University is more concerned to avoid risk than to maximise return. The Treasury Management Policy determines the limits in terms of the credit ratings of institutions used for investments and on the sums placed with any one provider.

Balance sheet

Consolidated net assets increased by £12.8m to £71.3m (2021/22: £58.5m), the net assets have been significantly impacted by the positive change in the LGPS pension valuation during 2021/22. Total pension provisions for all university schemes, calculated under the accounting rules of FRS102 decreased by £9.1m to £0.9m (2021/22: £10m). This has greatly reduced any risk that the balance sheet will become negative in the next twelve months through technical insolvency.

The latest actuarial valuation (March 2022) of the University's share of the LGPS scheme indicated that the overall funding level has improved to 113% (from 93%).

Consolidated tangible fixed assets decreased by £8.5m (2.8%) to £299m (2021/22: £307.5m). This was driven by the low levels of new investment following completion of the Waterside Campus. The sale of the Newton building completed in February 2023 which generated additional income during 2022/23. Long term loans decreased by £2.2m to £33.9m (2021/22: £36.1m). All the University long-term debt continues to be subject to fixed rate agreements.

Financial covenants

The development of the Waterside Campus was financed by a public bond issue of £231.5m at a rate of 3.30 % and County & Borough Council PWLB loans of £68m at rates between 1.38% and 2.92%, totalling £299.5m of borrowing. As part of this financing, a government guarantee on the borrowing under the UK Guarantees Scheme was obtained. Under the financial covenants with HM Treasury as the bond guarantor, calculation of historical and prospective Debt Service Cover Ratios (DSCR's) is required.

A prospective ratio falling below 1.15x sanctions restricted the University's future operations. HM Treasury granted the University a waiver during 2022/23 up to 31 October 2023 waiving any potential breach for the DSCR and for the 'Event of Default' as specified in the collateral deed between the University and HM Treasury relating to a delay in submitting signed financial statements to the OFS and HM Treasury. During the financial year the University did not breach either of the DSCR's and the balance sheet remained positive during this period. The positive LGPS pension valuation at the 31 July 2023 has greatly reduced the University's risk of technical insolvency.

Future financial outlook

Recruitment for the 2022/23 academic year exceeded budgeted levels for both overseas students and home student recruitment. The University delivered positive cash from operating activities. Additionally, the sale of the Newton building completed in February 2023 which has further boosted cash levels.

Government policy introduced in May 2023 around restrictions on overseas students bringing dependants into the UK from January 2024 has created uncertainty in the sector.

Further government policy announced in December 2023 around graduate route visa and the minimum wage threshold by which a tier 2 (work) visa can be obtained has resulted in a significant decline in overseas students across the higher education sector. The University is anticipating a significant drop in overseas students during 2023/24 and it is not expecting any recovery in this figure for 2024/25. Recruitment of home students during 2023/24 was significantly less than anticipated - this trend was felt sector wide and has been attributed to the increasing popularity of apprenticeship programmes over degrees and cost of living challenges. Students were concerned with the debt associated with a university education and many students opted to work rather than undertake a postgraduate degree.

These recent changes have introduced a degree of market turbulence and volatility within the higher education sector, the University is addressing this risk strategically and has commenced a strategic review of its operating model to investigate opportunities to maximise efficiencies. Despite these external factors the University is confident of maintaining a positive cash position and achieving its DSCR's throughout the going concern period. Going forward, the budget and financial strategic planning are based upon prudent assumptions, with stress testing and multiple scenario analysis applied.

We operate under the discipline of financial covenants and work to ensure that financial plans are sustainable and realistic. The risk that the University's liabilities could exceed its assets in the going concern period to 31 July 2025 has been greatly reduced due to the impact of the positive LGPS pension valuation. Overall, the University is confident of achieving sufficient positive cash generation to maintain its going concern status.

Student recruitment

Objective

Our objective in 2022-23 was **to deliver targeted levels of student recruitment.**

Performance

This objective was achieved.

| Target | Actual | | | | Target |
|---|--------|-------|-------|--------------|--------|
| | 19/20 | 20/21 | 21/22 | 22/23 | 22/23 |
| Number of newly enrolled full time undergraduate students with 'Home' fee status enrolled as of 31 July | 2,767 | 2,882 | 2,667 | 2,997 | 2,796 |
| Total number of newly enrolled full time taught postgraduate students enrolled as of 31 July | 1,284 | 1,246 | 2,568 | 2,797 | 2,700 |
| Total number of postgraduate research students (Level 8) enrolled as of 31 July | 373 | 382 | 372 | 368 | 350 |

Risks and opportunities

Risks

The overall risk is that **student recruitment targets** are not met, resulting in financial difficulties.

Several **barriers to student recruitment** can be identified. There is evidence that the **market for UK undergraduate students is shrinking**. The areas of

greatest concern for the higher education sector as a whole were teacher training and nursing. This was mitigated because international student recruitment remained strong over 2022-23, supported by the favourable exchange rates.

Recruitment is constrained by the **capacity of the estate, insufficient accommodation** available in the local housing market, and the **availability of suitable academic staff**.

The University continued to manage its **reputation and quality indicators**. There was a risk over 2022-23 that the University did not score well in the **Teaching Excellence Framework (TEF)**, creating a negative impact on student recruitment. A project was run to ensure that the University submitted the best possible TEF submission. The University prepared for an **Ofsted inspection of apprenticeship provision** which was due before the end of the 2023 calendar year. There was a risk that a negative judgement impeded the provision. There is also a risk that a poor set of **National Student Survey results** impacts on the University's reputation and damages recruitment.

There is a risk that our course portfolio produces **subjects and courses which are not attractive to students** and result in poor recruitment.

Finally, **market changes** such as growth by competitors and the establishment of new higher education providers in or around Northamptonshire have the potential to affect student recruitment to the University. The University continues to monitor and benchmark itself against competitor institutions.

Opportunities

With the introduction of a new Global Engagement directorate under a Director of Global Engagement, there is an opportunity to **optimise our strategy for the recruitment of international students.**

Over 2022/23, the new post of Director of Marketing and Student Recruitment was created. Again, this produces an opportunity to **optimise our recruitment of students with 'Home' fee status.**

During 2022/23, the University worked to establish and refresh **links with local further education** providers. There is an opportunity to cement our position as an anchor institution, and to recruit more students regionally. There is an opportunity to develop pathways which will appeal to students in the region, and in the UK. For example, degree apprenticeships are popular with applicants.

Student experience

Objective

Our objective in 2022-23 was **to deliver an improved student experience.**

Performance

Overall, this objective was not achieved.

| Target | Actual | | | | Target |
|--|------------|--------|--------|--------------|---|
| | 19/20 | 20/21 | 21/22 | 22/23 | 22/23 |
| National student survey (NSS) average of all questions | 3.96 | 3.72 | 3.79 | 2.79 | Within 1% of the median of post 92 institutions* (2.84 for NSS23) |
| Postgraduate taught student experience survey overall satisfaction | 81.7% | 76.4% | 82.9% | 87.0% | 83% |
| Postgraduate research student experience survey overall satisfaction | 91% | DNR** | 77.8% | 71.9% | 80% |
| Continuation for all first-degree new entrants (entrants are AY - 2) | 87.3% | 89.0% | 91.7% | 87.2% | 91.4%*** |
| First time pass rate at grades A-C for | 17.1pp**** | 15.5pp | 17.3pp | 16pp | 8pp |

| | | | | | |
|---|--|--|--|--|--|
| level 4 modules – gap between Black students compared with total students | | | | | |
|---|--|--|--|--|--|

* 'Post 92s' refers to universities which achieved university status after The Further and Higher Education Act 1992

**DNR = The survey did not run in 20/21

*** The Office for Students stopped publishing the metric we had identified for this indicator. Instead, we used data on the continuation of full-time undergraduate students from the first to the second year of study which was released by the Office for Students in April 2023. The key performance indicators have since been changed.

**** pp = percentage points. This measure is of the difference in percentage points.

Despite the University improving its NSS scores in 4 out of 5 categories in 2022/23, compared to 2021/22, only one category exceeded the targeted level we had set. NSS target expectations were challenging for 2022/23, the University is continuing to prioritise student experience by introducing initiatives to support students such as the cost-of-living task force and improved mental help support.

Risks and opportunities

Risks

Campus safety became an increased concern over 2022/23 with problems relating to drug related criminality, gang violence and knife crime. The University Leadership Team established a Campus Safety Partnership with a remit to develop strategies and plans to deal with campus safety issues. The University continues to work in partnership with Northamptonshire Police, and also funds a dedicated campus Police team in addition to the University security team.

The rate at which **students continue to the next year of their studies** has fallen since the pandemic, and there is a risk that this trend will continue. Non-continuation is complex and can relate to a number of issues such as the cost-of-living, accommodation issues, mental health and engagement with studies.

There is a risk that our teaching and learning or our provision of services does not meet **student expectations**. As well as a poor experience for students, this can result in poor National Student Survey results and have an impact on recruitment.

The Office for Students, working through its Conditions of Registration, also sets and monitors expectations of the University's delivery and student outcomes in areas such as the academic experience, resources, support and student engagement, student outcomes and assessment and awards. There is a risk that **non-compliance with regulatory requirements** has a negative impact on the quality of the student experience and leads to regulatory action by the Office for Students.

In December 2022, the Office for Students initiated an investigation into the University's Computing and related programmes. This area had below benchmark metrics for award completion and graduate employability. At the time of writing, the results of the investigation are awaited.

There are other issues which may have an impact on the quality of the student experience and which the Office for Students monitors. These include the prevention of sexual harassment, free speech on campus, and the duty to prevent students being drawn into extremism (the Prevent duty). Whilst no particular risks in these areas were identified over 2022/23, the University continued to monitor and work on the issues.

As discussed elsewhere in this report, there are **infrastructure issues** which create risk to the quality of the student experience. For example, the project to implement a new Student Records System, and the risk that the physical estate does not support a good student experience.

Opportunities

The University has embraced the use of technology and predominantly small group teaching to **support and enhance learning**. The University has an opportunity to build on this experience and expertise by providing support for our students, understanding their preferences for engagement, and diversifying our educational provision. A new Teaching and Learning Strategy is in development at the time of writing. There are opportunities to **develop the estate to support the student experience**. These were explored over 2022/23 and have been incorporated into the Estate Development Framework which was published alongside the new Strategy. For example, upgrading and replacing

sports facilities, ensuring that our facilities are inclusive, reinvigorating under-utilised spaces and creating social spaces that meet student expectations.

Staff experience

Objective

Our objective over 2022-23 was **to deliver an improved staff experience.**

Performance

Overall, this objective was not achieved. Due to changes in the senior team, a full staff experience survey was not published in 2022-23. One question was added to the 2022-23 Stress Survey instead, producing the following results.

| Target | Actual 21/22 | Actual 22/23 | Target 22/23 |
|---|--------------|--------------|--------------|
| % of staff agreeing that 'I feel motivated at work' | 61% | No data | 65% |
| % of staff agreeing that 'I feel valued at work' | 49% | No data | 55% |
| % of staff agreeing that 'I have neglected some tasks as I have too much to do' | 44% | 35% | 40% |

The staff experience was identified as one of the four overall priorities for the new strategic plan which was developed over 2022-23. A staff survey is planned to be conducted in 2023-24.

Risks and opportunities

Risks

Industrial relations continued to be a risk for the University. In 2022/23 there were several days of strike action, and action short of a strike by members of the UCU over recent months. This caused some service disruption. The University was proactive in communicating with students and staff about the challenges of the external environment, for example through a series of town hall style meetings for staff to raise issues or concerns. There was also communication with staff to understand and mitigate any operational issues stemming from the strike action and action short of a strike. An agreement was reached to mark the work of graduating students and those whose visas depend on receiving marks, and this helped mitigate disruption. The disruption affected some academic subject areas more severely than others. There was a particular effect on around 50 final year students whose degree classification was delayed. The disruption occurred during the NSS survey period, creating reputational risk.

Staff retention was impacted by the pandemic and areas of higher staff turnover remain. There is a risk that staff turnover leads to service disruption or impacts on the student experience. There is a risk that our offer to new staff is not strong enough and we are unable to recruit the staff that we need to offer a good student experience. Our ability to **recruit new staff**, particularly administrative, academic, manual and technical staff remains challenging. Mitigations included a project on supporting new starters, and a variety of interventions designed to increased attractiveness. A fundamental review of the terms and conditions of staff employed by our subsidiary the University of Northampton Enterprises Ltd was undertaken. The majority of these staff provide estate and campus services. The review included pay and bonus payments and shift allowance harmonisation.

Over 2022/23, the University undertook a **senior level reorganisation**. There is a risk that this does not provide the University with the anticipated benefits.

Opportunities

There is an opportunity to continue to **develop and upskill our staff**. During 2022/23 we appointed seven new professors. Two staff achieved National Teaching Fellowships, having received support from the University to do so. Our social impact report (using data from 2021/22) showed that the University upskilled 77 staff with NVQ equivalent qualifications ranging from NVQ Level 2 through to NVQ Level 8.

The **campus developments** described above as part of the student experience will also benefit our staff by enhancing their environment.

Trade Union Facility Time Data

The reporting period for this data is 1 April 2022 to 31 March 2023.

Number of employees: 1,501 to 5,000

Trade union representatives: 16

Full time equivalent trade union representatives: 14.8

Percentage of working hours spent on facility time:

- 0% of working hours: 1 representative.
- 1 to 50% of working hours: 15 representatives.
- 51 to 99% of working hours: 0 representatives.
- 100% of working hours: 0 representatives.

Total pay bill: £38,235,552

Total cost of facility time: £43,484

Percentage of pay spent on facility time: 0.11%

Paid trade union activities:

- Hours spent on paid facility time: 1,853.
- Hours spent on paid trade union activities: 1,492.

Research

Objective

Our objective in 2022-23 was **to increase the proportion of world-leading and internationally excellent research outputs.**

Performance

Overall, this objective was not achieved. The output was to be measured using PURE, the University's Research Explorer tool. However, the product provider delayed the launch of an assessment module which resulted in the relevant reporting only being available from the 2023/24 year.

| Target | REF14 (Outputs) | REF21 (Outputs) | Output 22/23 | Target 22/23 |
|---|--------------------|--------------------|-----------------|-----------------|
| All publications at minimum of REF 2* | 76.6% | 83.1% | No data | 100% |
| Increase the proportion of REF 3* and REF 4* outputs to 55% | 30.5% | 40.2% | No data | 55% |

REF = Research Excellence Framework

Risks and opportunities

Risks

There is a risk that our **performance in the next Research Excellence Framework** (REF) is not as good as planned. This affects the University's reputation and ability to attract staff and research contracts, and the allocation of research funding. The next REF exercise will take place in 2029 and we have already begun planning.

If it is not properly embedded, there is a risk that research **does not contribute** effectively to learning and teaching, knowledge exchange, social impact, enterprise and innovation. Research has been made one of our four priorities in the Strategy developed over 2022/23.

Opportunities

Our research vision is innovative research with wide-ranging and significant impact on the lives of local, national, and international communities. There is great opportunity to use our research to **make a positive difference and create social value**. We have specialisms in areas like education, healthcare and the environment which have impact both within and beyond academia.

With the continued growth of the number of professors, there is an opportunity to **develop new or existing research specialisms**, which will enhance our teaching and learning, our reputation and partnerships with other organisations, and our funding.

In particular, there are opportunities to **grow research with the corporate and business sector**. We will develop an engagement plan, promote the University

as a research service provider and align our research to regional, national and international priorities.

Statement of corporate governance

Introduction and scope

This statement of corporate governance covers the period from 1 August 2022 to 31 July 2023 and relevant matters up to the date of approval of the audited financial statements. This is referred to as 'the reporting period'.

The University of Northampton is a Higher Education Corporation under the Education Reform Act 1988, section 124 as amended by the Further and Higher Education Act 1992 and the Higher Education and Research Act 2017. The University is an exempt charity under the Charities Act 2011. This means that rather than being regulated by the Charity Commission, the University's principal regulator is the Office for Students.

As a Higher Education Corporation, the University of Northampton's constitution is contained in an Instrument of Government and Articles of Government. The Instrument and Articles were last reviewed and approved by the Board in July 2023.

Compliance with Public benefit guidance

The Board of Governors are the charitable trustees of the University. The Board of Governors confirm that in exercising their powers and duties, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Corporate governance arrangements

The Articles of Government establish a Board of Governors, a Senate, and the role of the Vice-Chancellor, and set out their responsibilities. Bye-Laws and Board's Scheme of Delegation support the operation of the Instrument and Articles.

Responsibilities of the Board of Governors

The Board's Statement of its Responsibilities sets out its primary and other responsibilities, and the responsibilities the Board has delegated.

In summary, the Board's primary responsibilities include:

- approval of the University' strategy and overall operational plan;
- monitoring and evaluation of the University's performance and leadership;
- determining overall risk appetite and taking all decisions with a significant impact on risk profile;
- exposure or the long-term sustainability of the University
- approving the overall budget;
- being the trustee of the University's resources and assets, and
- ensuring that systems are in place to meet legal, statutory and regulatory requirements.

Members of the Board

The members of the Board of Governors are the trustees of the University.

They are appointed as follows:

| | Definition | Method of recruitment and appointment |
|-----------------------------|---|---|
| Independent members | Criteria for independence are set out in the Bye-Laws | Public advertisement. Application and interview. Board resolution to appoint |
| Academic staff member | Employed by the University in an academic post and nominated to join by the Senate | Nomination and election process amongst those eligible to stand. Board resolution to appoint |
| Student members | Those on a course of study at the University who have been nominated by the student body because they have been elected as a sabbatical officer of the University of Northampton Students Union | Election as a sabbatical officer. Board resolution to appoint to the Board |
| Professional services staff | Employed by the University in a professional services post | Nomination and election process amongst those eligible to stand. Board resolution to appoint |
| Vice-Chancellor | Employed by the University as the Vice-Chancellor | Public advertisement. Application and interview process. Board resolution to appoint to the Board |

A procedure for the induction of new governors is in place including written information, meetings with key staff, regular review with the chair, and support from another Board members.

The ongoing training and development of governors is supported by ensuring that governors receive information about internal and external events, courses and information. Mandatory online training supports governors understanding of key policy and regulatory areas such as the Prevent duty and the Public Sector Equality Duty. All governors are expected to complete the online training in their first 12 months of Board membership and refresh it every 36 months.

Over the reporting period and up to the date of signature of these accounts, the members of the Board were:

| Name | Category | Date of appointment | Leave date |
|--------------------------|----------------------------|----------------------------|-------------------|
| Dayo Adedapo | Independent | 07/09/2023 | |
| Fajar Ajmal | Student Governor | 01/07/2023 | |
| Damilola Akhigbe* | Independent | 19/12/2019 | 04/09/2023 |
| Dinusha Boteju | Academic Staff Governor | 01/08/2023 | |
| Zoe Boyer | Student Governor | 23/02/2022 | 30/06/2023 |
| Andrew Burman | Independent | 03/04/2023 | |
| Geoffrey Donnelly | Independent | 03/04/2023 | 31/12/2023 |
| Susan Dutton | Independent | 01/08/2015 | |
| Bethany Garrett | Student Governor | 14/07/2021 | 30/06/2023 |
| Roland Gray | Independent | 01/08/2023 | |
| Matthew Hanmer | Independent | 01/08/2019 | 29/01/2024 |
| Richard Horsley | Independent | 01/08/2014 | 31/07/2023 |
| Harriet Jones | Independent | 01/08/2022 | |
| Shivani Kaushike | Independent | 19/12/2019 | 09/02/2024 |
| Anne-Marie Kilday | Vice-Chancellor | 01/08/2022 | |

| | | | |
|------------------------|---|------------|------------|
| Bhavya Mohan | Student Governor | 01/07/2023 | |
| Deborah Parker | Independent | 01/08/2022 | |
| Ivna Reic | Academic Staff Governor | 20/11/2019 | 31/07/2023 |
| Jonathan Scott | Independent | 17/02/2020 | |
| Michelle Teo | Independent | 01/08/2022 | |
| Vikramaaditya | Independent | 01/08/2022 | |
| Suzanne Wallace | Professional Services Staff Governor | 01/08/2022 | |
| Paul Wood | Independent | 01/08/2019 | |

* Membership suspended for on compassionate grounds from 10/03/2023 to 04/09/2023.

Committees of the Board

The Board has the following committees:

- Audit and Risk Committee.
- People, Culture, Quality and Standards Committee.
- Infrastructure and Resources Committee.
- Nominations and Governance Committee.
- Remuneration Committee.

The terms of reference of each committee are published on the University's website.

Vice-Chancellor and University Leadership Team

Responsibilities of the Vice-Chancellor and University Leadership Team

The Vice-Chancellor (VC) is responsible for the organisation, direction and management of the University and leadership of the staff. The Vice-Chancellor proposes to the Board the items for its approval, including the University's budget and decision on the academic character and mission of the University.

The VC is assisted in her leadership of the University and in preparation of proposals to the Board by the University Leadership Team (ULT). ULT approves, after consultation with the Board or its committees, the supporting plans to deliver the University's vision, mission and strategy. It considers a range of matters related to the management, leadership and operations of the University.

Members of the University Leadership Team

The members of the University Leadership Team are the faculty deans and the directors of the University's professional services.

Senate

Responsibilities of the Senate

The responsibilities of the Senate are set out in the Articles of Government. In brief the Senate is responsible for research, scholarship, teaching and courses at the University and the development of the University's academic activities.

Members of the Senate

The members of Senate are the Vice-Chancellor and Deputy Vice-Chancellor, the Deans of the faculties and the Directors of the University's professional services. Senate has representation from the Students' Union. It has three elected representatives from each faculty and one from the professorial staff.

Committees of the Senate

The following committees report to Senate on aspects of the academic business of the University:

- Academic Quality and Standards Committee.
- Research, Innovation and Impact Committee.
- Business, Engagement, Enterprise and Entrepreneurial Committee.
- Student Experience Forum.
- Faculty Academic Committees.

Transparency of corporate governance arrangements

The University ensures the transparency of its corporate governance arrangements through a [publication scheme](#) which complies with the guidance of the Information Commissioner. The University's website is the main source of public information about the University. The University publishes on its website the [governing documents](#) (Instrument and Articles, Bye-Laws, Statement of Responsibilities and Scheme of Delegation), committee [terms of reference](#), [policies, procedures and regulations](#), our annual report and [financial statements](#) and information about [academic quality and standards](#), and agendas and minutes of Board meetings.

Adequacy and effectiveness

Corporate governance arrangements

The University ensures the adequacy and effectiveness of its arrangements for corporate governance by operating in compliance with codes that represent best practice in the governance of higher education institutions.

The Board confirms that over the reporting period and up to the date of signature of these accounts, it has operated in compliance with the [Public Interest Governance Principles](#), the [Higher Education Code of Governance](#), the [Higher Education Senior Staff Remuneration Code](#) and the [Higher Education Audit Committees Code of Practice](#).

Risk Management arrangements

The Board, through its Audit and Risk Committee, has reviewed and ensured the adequacy and effectiveness of risk management and internal controls by:

- Reviewing the University's approach to risk. The Audit and Risk Committee on behalf of the Board reviews a Risk Management Annual Report and annually approves the Risk Management Policy.
- Receiving reports from University leaders and managers responsible for discrete areas of the control framework and offering challenge on risks and the robustness of internal controls.
- Receiving reports from the internal audit service on the adequacy and effectiveness of the University's control environment. Each report is reviewed by ULT and the Audit and Risk Committee.
- The internal audit service also gives an annual overall opinion from which the Committee can take assurance about the control environment. The internal audit opinion was received by the Audit and Risk Committee in

January 2024. The internal audit opinion was that for the 12 months ended 31 July 2023, the University had an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness. However, the internal auditor's work identified further enhancements to the framework for risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remained adequate and effective.

- Receiving the external audit report. Whilst the report does not give an opinion on the internal control environment, it considers the controls relevant to the preparation of the annual financial statements and makes recommendations on the improvement of controls.
- Monitoring the completion of actions arising from the recommendations of internal and external audit. Actions arising from internal audit recommendations are monitored at each meeting of the Audit and Risk Committee.
- Reviewing relevant policies, procedures and regulations, and receiving assurance about their effective operation.

Oversight of statutory and regulatory responsibilities

The University ensures the adequacy and effectiveness of its arrangements for oversight of statutory and regulatory responsibilities through the regular monitoring of compliance. Monitoring includes but is not limited to:

- Internal audits on aspects of compliance, for example data protection and Prevent duty compliance were assessed in reports presented in 2022-23.
- External audit coverage of compliance with accounting requirements.
- Board level reports on compliance for example during 2022-23, reports were presented on compliance with the Office for Students' Conditions of Registration, the Prevent duty and bribery and fraud legislation.

- Health and safety policies, procedures and committee structure which oversees these.
- Compliance is covered as part of all relevant papers to the Board and University Leadership Team.

Regularity and propriety in the use of public funding

The University's internal control framework ensures regularity and propriety in the use of public funding. The Board of Governors and University Leadership Team are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public funds and assets for which it is responsible. This system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. The internal control system can therefore only provide reasonable, not absolute, assurance of effectiveness.

Statement of internal control

Scope

This statement of internal control covers the period from 1 August 2022 to 31 July 2023 and relevant matters up to the date of approval of the audited financial statements. This is referred to as 'the reporting period'.

Purpose of internal controls

The University's internal controls are designed:

- To ensure regularity and propriety in the University's use of public funding including by ensuring that operations are effective and efficient.
- So that the University can prevent and detect incidents of corruption, fraud, bribery and other irregularities.
- To ensure that the University complies with its statutory and regulatory responsibilities for example through policies, procedures, responsibilities given to members of staff through their role descriptions, responsibilities given to the Board or its committees to review and monitor compliance.
- To provide assurance that the University's objectives will be achieved by minimising or eliminating risks.

Description of internal control arrangements

The University's system of internal controls includes but is not limited to:

- Explicit University ethical values and key behaviours to underpin the culture, supported by Codes of Conduct and reinforced through the staff induction process and the annual Performance and Development Review of all members of staff.

- Clear descriptions of the expectations of all staff in terms of behaviour and competent job performance, through policies, procedures, role descriptions and performance reviews.
- Organisational structure and the assignment of responsibility and accountability. Set by the governing documents, terms of reference for committees and other groups, role descriptions for staff and clear management and governance reporting lines for both individual staff and committees/other groups.
- Financial Regulations which set out financial controls and procedures approved by the Board, including clearly defined and formalised requirements for the approval and control of expenditure.
- Budget planning and budget management process, supplemented by detailed management accounts presented regularly to the Board and the University Leadership Team.
- Academic and student regulations, policies and procedures approved and overseen by the Senate.
- Extensive academic quality and standards arrangements including dedicated staff and oversight by the Senate.
- Human resources policies and procedure.
- Policies and procedures to govern statutory and regulatory compliance, information technology, physical and asset security, health and safety, data security, fraud, corruption and bribery.
- Arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities including regular reviews through internal and external audit, our accounting system and segmentation of related organisational duties.

Application of the principles of internal control

These principles of internal control are taken from the Accounts Direction published by the Office for Students.

a) Identifying and managing risk is an ongoing process linked to achieving the University's objectives

Between August 2022 and September 2023, the University developed a new strategy. Therefore, during this period, the link between risk management and the achievement of organisational objectives was less strong than would normally be expected. However, the Board, working through the Audit and Risk Committee, maintained a strong focus on the fundamental risks to the University.

The Audit and Risk Committee monitored the fundamental risks to the University at each meeting. Over 2022-23, the University Leadership Team redeveloped the risk register in parallel with the new University strategy. The first draft was presented to the Audit and Risk Committee in June 2023. The new strategy was launched in September 2023, and the process of updating the risk register in line with the new strategy continues.

b) The approach to internal control should be risk-based, including an evaluation of the likelihood and impact of risks becoming a reality

The University's risk management policy and procedure is to assess risks according to their probability and impact. Probability and impact are expressed numerically and multiplied. The risk register is reviewed by the Audit and Risk Committee and those risks with the highest scores are referred to the Board of Governors.

The University takes a risk-based approach to internal controls. Our system of internal controls is designed to address those areas that are most vulnerable to risks. Our internal audit plan is developed with reference to the risks to the University.

c) Review procedures cover business, operational and compliance risk as well as financial risk

The identification of fundamental risks, and the risk register, are deliberately broad, covering strategic, operational and governance and compliance risks. The preparation of the risk register draws on the views and experience of all members of the University Leadership Team. Over the reporting period, faculties and directorates have also considered risk at a local level as part of developing local strategies and have the ability to feed risks into the University risk register through the members of the University Leadership Team.

This ensures that risk assessment and the existence of controls for risk are a standard part of decision making by the Board and the University Leadership Team.

d) Risk assessment and internal control should be embedded in ongoing operations

The University Leadership Team identifies and evaluates the risks reported to the Audit and Risk Committee, and continually monitors these. Each risk has an owner, who is responsible for identifying controls and actions to manage or mitigate the risk. Where control weaknesses are identified by internal or external audit, a recommendation is made and assigned to an owner. Regular reports are made to the Audit and Risk Committee on the completion of recommendations.

Risk considerations are covered in all relevant papers to the University Leadership Team and Board of Governors.

e) During the year regular reports on internal control and risk are received at Board level

Over the reporting period, the Audit and Risk Committee on behalf of the Board of Governors:

- monitored the fundamental risks to the University at each meeting.
- reviewed each internal audit report and the completion of recommendations.
- reviewed the external audit report.

f) 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 of Governors

The University Leadership Team reviews and monitors risks to the University as part of its usual business. Each relevant paper to the Leadership Team includes an assessment of risks. The Leadership Team reviews the University's fundamental risks and refers these to each meeting of the Audit and Risk Committee.

The Audit and Risk Committee reviews the fundamental risks and the operation of the control environment. It reports to the Board on the highest risks and its level of assurance.

In addition, each of the Board's committees has a responsibility to review the risks in its remit, to report to the Board on its level of assurance, and to escalate to the Board where adequate assurance has not been received.

g) The Board of Governors acknowledges its responsibility for ensuring that a sound system of internal control is maintained. It has reviewed the effectiveness of internal control arrangements.

Internal control weaknesses or failures

As reported in the previous annual report, the Board was made aware during 2022 of the potential that there has been fraudulent activity in an academic partner. The potential fraud was identified through the University's control procedures and was reported to Action Fraud and the Office for Students.

This indicated a control weakness or ability to override internal control procedures in setting up new academic partnerships or admitting students to academic partnerships.

The University therefore:

- Set up a Partnerships Critical Incident Group of senior leaders with a member of the Board as an observer. The Group managed communications maintained a risk register and managed new issues and information connected to partnerships. It was tasked with bringing partnerships back to a 'business as usual' state. The Board agreed the closure of the Partnerships Critical Incident in November 2023 as part of returning this area to business as usual.
- Added an item on partnerships to each Board agenda.
- Worked with external stakeholders investigating potential fraud.
- Contracted an external legal advisor to undertake a full review of partnership governance arrangements. The report was received and reviewed by the University Leadership Team and Board of Governors in November 2023. An action plan was created in response.

The role of audit

External audit

Over the reporting period and up to 6 December 2023, the University's external auditor was BDO. MHA were appointed from 7 December 2023 following a formal tendering exercise.

The annual external audit improves internal systems and controls. During their audit, as well as considering the financial information, the auditors gain an understanding of the University's overall systems and controls environment. This enables them to identify deficiencies in the accounting systems or controls for which recommendations are made. This makes the University less prone to fraud or error. It increases the University's efficiency and therefore our performance in the delivery of value for money.

In addition, an external audit gives security that the accounts are free from material misstatements, whether due to fraud or error, making the University more likely to be successful in achieving its goals. Audited accounts also provide transparency that the University is delivering value for money and highlight any issues.

Internal audit

Over the reporting period, the University's internal audit service was provided by RSM. The role of internal audit is to review and assess the adequacy and effectiveness of internal controls. All categories of risk are covered. The internal audit is independent from the University and reports to the highest level to ensure an unbiased and objective view. As part of each review, recommendations are made to improve the effectiveness of governance, risk management and control processes. The recommendations are carried out by

the University with the oversight of the Audit and Risk Committee. This improves the internal control environment and therefore the University's delivery of value for money.

Statement of Board responsibilities

The Board of Governors confirms that it has identified and reviewed the major risks to the University and that systems and procedures are in place to manage those risks.

In accordance with the University's Instrument and Articles of Government, the Board of Governors is responsible for the oversight of the administration and management by the University Leadership Team of the affairs of the University and is required to approve audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept that disclose the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University's Instrument and Articles of Government, the Statement of Recommended Practice on Accounting in Higher Education Institutions, and other relevant accounting standards.

As a Higher Education Corporation, the Board, through its designated Accountable Officer, produces financial statements for each financial year, which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year. These statements are also submitted to the Office for Students as part of the Annual Financial Return.

In overseeing the preparation of financial statements, the Board of Governors has ensured, either directly, or via delegated authority to one of its committees, 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 and any material departures disclosed and explained in the financial statements.
- Financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University and group will continue in operation.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Office for Students are used only for the purposes for which they have been given and in accordance with the terms and conditions of funding for higher education institutions.
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- Safeguard the assets of the University and prevent and detect fraud.
- Secure the economical, efficient and effective management of the university's resources and expenditure.

Statement of disclosure of information to auditors

At the date of making this report each of the University's governors, as set out above, confirms the following:

- So far as each governor is aware, there is no relevant information needed by the University's auditors in connection with preparing their report of which the University's auditors are unaware.
- Each governor has taken all the steps that they ought to have taken as a governor in order to make themselves aware of any relevant information needed by the University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information.
- Financial statements are published on the University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the University's website is the responsibility of the members of the Board. The members of the Board's responsibility also extends to the ongoing integrity of the financial statements contained therein.

By order of the Board.



Andrew Burman

Chair of the Board of Governors

Date: 26 April 2024

Independent Auditor's Report to the Board of Governors of the University of Northampton Higher Education Corporation

Opinion

We have audited the financial statements of The University of Northampton (the 'University') and its subsidiaries ('the Group') for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statement of Changes in Reserves, Consolidated and University Balance Sheet, Consolidated Statement of Cash Flows and the related notes, including a Statement of Principal Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2023 and of its incoming resources and application of resources for the year then ended; and
- have been properly prepared in accordance with 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 are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, including consideration of financial forecasts and cashflows and compliance with bank covenants and other funding requirements covenants, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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 with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Strategic and Governors' Reports other than the financial statements and our Auditors' Report thereon. The Board are responsible for the other information contained within the Strategic and Governors' Reports. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Board

As explained more fully in the Statement of Board Responsibilities, the Board are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Board 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 Board are responsible for assessing the Group's and 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Higher Education Research Act 2017 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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:

- Enquiry of management and those charged with governance concerning actual and potential litigation, regulatory actions and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

University of Northampton Annual Report and Financial Statements to July 2023
Independent Auditor's Report to the Board of Governors of the University of
Northampton Higher Education Corporation

A further description of our responsibilities for the audit of the financial
statements is located on the Financial Reporting Board's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our
Auditors Report.

Report on other legal and regulatory

We are required to report on the following matters by the Accounts Direction
dated 25 October 2019 issued by the Office for Students ('the Accounts
Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

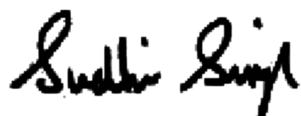
We are also required by the Accounts Direction to report where the results of our audit work indicate that the University's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated. We have nothing to report in these respects.

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 Board those matters we are required to state to them in an Auditor's Report and for no other purpose.

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Northampton Higher Education Corporation

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and University and its Board, as a body, for our audit work, for this report, or for the opinions we have formed.



Sudhir Singh FCA (Senior Statutory Auditor)

For and on behalf of MHA, Statutory Auditor

London, United Kingdom

Date: 29 April 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Consolidated and University Statement of Comprehensive Income

| | | Consolidated | Restated Consolidated | University | University |
|---|------|----------------|--------------------------|----------------|-----------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | Note | £000 | £000 | £000 | £000 |
| Income | | | | | |
| Funding body grants | 2 | 6,954 | 6,058 | 6,954 | 6,058 |
| Tuition fees and education contracts | 3 | 159,391 | 125,543 | 159,391 | 125,543 |
| Research grants and contracts | 4 | 1,103 | 870 | 1,103 | 870 |
| Other operating income | 5 | 16,860 | 14,385 | 16,707 | 13,871 |
| Interest received | 7 | 218 | 7 | 202 | 2 |
| Donations and endowments | 8 | 121 | 99 | 121 | 99 |
| Total Income | | 184,647 | 146,962 | 184,478 | 146,443 |
| Expenditure | | | | | |
| Staff costs | 9 | 79,028 | 77,608 | 72,076 | 71,593 |
| Interest and other finance costs | 10 | 10,249 | 11,324 | 10,344 | 11,348 |
| Other operating expenses | 11 | 83,985 | 64,489 | 90,525 | 70,182 |
| Depreciation & impairment | 11 | 9,910 | 11,338 | 9,919 | 11,347 |
| Total expenditure | | 183,172 | 164,759 | 182,864 | 164,470 |
| Surplus/(Deficit) before other gains / (losses) and share of operating (loss) of joint ventures and associates | | 1,475 | (17,797) | 1,614 | (18,027) |
| (Loss) on disposal of fixed assets | 12 | (3) | - | (3) | - |
| Profit/(Loss) on revaluation of fixed assets | | - | (3,563) | - | (3,563) |
| Gain / (Loss) on investment | | 1,607 | (1,687) | 1,608 | (62) |
| Share of operating profit/(loss) in joint venture | 14 | (3) | (73) | - | - |
| Share of operating profit in associate | 14 | 63 | 112 | - | - |
| Non-controlling interest | | 7 | 2 | - | - |
| Surplus/(Deficit) before taxation | | 3,146 | (23,006) | 3,219 | (21,652) |

University of Northampton Annual Report and Financial Statements to July 2023
Consolidated and University Statement of Comprehensive Income

| | | Consolidated | Restated Consolidated | University | University |
|--|-------------|---------------------|----------------------------------|-------------------|-------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | Note | £000 | £000 | £000 | £000 |
| Taxation | | - | (2) | - | - |
| Surplus/(Deficit) for the year | | 3,146 | (23,008) | 3,219 | (21,652) |
| Actuarial Gains in respect of pension scheme | 25 | 9,692 | 74,233 | 9,818 | 73,550 |
| Total Comprehensive income for the year | | 12,838 | 51,225 | 13,037 | 51,898 |
| Unrestricted comprehensive income for the year | | 12,838 | 51,225 | 13,037 | 51,898 |
| Attributable to the University | | 12,831 | 51,223 | 13,037 | 51,898 |
| Attributable to the non-controlling interest | | 7 | 2 | - | - |
| | | 12,838 | 51,225 | 13,037 | 51,898 |
| Surplus / (Deficit) for the year attributable to: | | | | | |
| University | | 3,139 | (23,010) | 3,219 | (21,652) |
| Non-controlling interest | | 7 | 2 | - | - |
| | | 3,146 | (23,008) | 3,219 | (21,652) |

The notes on pages 78 to 148 form part of these financial statements.

Consolidated and University Statement of Changes in Reserves for Year ending 31 July 2023

| | Income & expenditure account | Income & expenditure account | Total excluding non-controlling interest | Non-controlling interest | Total Reserves |
|---|------------------------------|------------------------------|--|--------------------------|----------------|
| | Endowment | Unrestricted | | | |
| Consolidated | £000 | £000 | £000 | £000 | £000 |
| Balance at 1 August 2021 | 1,232 | 5,938 | 7,170 | 76 | 7,246 |
| (Deficit)/Surplus Consolidated Statement of Comprehensive Income - Restated | - | (23,010) | (23,010) | 2 | (23,008) |
| Movement in endowment funds | (135) | 135 | - | - | - |
| Pension reserve movement | - | 74,233 | 74,233 | - | 74,233 |
| Restated Balance as at 1 August 2022 | 1,097 | 57,296 | 58,393 | 78 | 58,471 |
| Surplus Consolidated Statement of Comprehensive Income | - | 3,139 | 3,139 | 7 | 3,146 |
| Movement in endowment funds | (61) | 61 | - | - | - |
| Pension reserve movement | - | 9,692 | 9,692 | - | 9,692 |
| Balance as at 31 July 2023 | 1,036 | 70,188 | 71,224 | 85 | 71,309 |
| University | | | | | |
| Balance at 1 August 2021 | 1,232 | 2,987 | 4,219 | - | 4,219 |
| Surplus University Statement of Comprehensive Income | - | (21,652) | (21,652) | - | (21,652) |

University of Northampton Annual Report and Financial Statements to July 2023
 Consolidated and University Statement of Changes in Reserves for Year ending 31 July
 2023

| | Income & expenditure account | Income & expenditure account | Total excluding non-controlling interest | Non-controlling interest | Total Reserves |
|--|------------------------------|------------------------------|--|--------------------------|----------------|
| | Endowment | Unrestricted | | | |
| Movement in endowment funds | (135) | 135 | - | - | - |
| Pension reserve movement | - | 73,550 | 73,550 | - | 73,550 |
| Balance as at 01 August 2022 | 1,097 | 55,020 | 56,117 | - | 56,117 |
| Surplus University Statement of Comprehensive Income | - | 3,219 | 3,219 | - | 3,219 |
| Movement in endowment funds | (61) | 61 | - | - | - |
| Pension reserve movement | - | 9,818 | 9,818 | - | 9,818 |
| Balance as at 31 July 2023 | 1,036 | 68,118 | 69,154 | - | 69,154 |

The notes on pages 78 to 148 form part of these financial statements.

Consolidated and University Balance Sheet as at Year ended 31 July 2023

| | | Consolidated | Restated Consolidated | University | University |
|--|------|---------------|--------------------------|---------------|---------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | Note | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Tangible fixed assets | 12 | 298,997 | 307,453 | 299,747 | 308,223 |
| Investment property | 13 | 250 | 2,200 | - | 1,950 |
| Investments | 14 | 1,434 | 1,376 | 1,165 | 1,167 |
| | | 300,681 | 311,029 | 300,912 | 311,340 |
| Current Assets | | | | | |
| Stock | 15 | 1,870 | 1,157 | 1,870 | 1,157 |
| Trade and other receivables | 16 | 25,860 | 24,084 | 25,631 | 23,909 |
| Current investments | 17 | 65,950 | 44,343 | 65,950 | 44,343 |
| Cash and cash equivalents | 22 | 7,153 | 14,720 | 6,383 | 13,636 |
| | | 100,833 | 84,304 | 99,834 | 83,045 |
| Less: Creditors amounts falling due within one year | 18 | (63,705) | (53,184) | (64,577) | (53,884) |
| Net current assets | | 37,128 | 31,120 | 35,257 | 29,161 |
| Total assets less current liabilities | | 337,809 | 342,149 | 336,169 | 340,501 |
| Less: Creditors amounts falling due after more than one year | 20 | (265,561) | (267,536) | (265,561) | (267,536) |
| Pension provisions | | (939) | (10,081) | (1,454) | (10,787) |
| Other provisions | | - | (6,061) | - | (6,061) |
| Total Provisions | 21 | (939) | (16,142) | (1,454) | (16,848) |
| Total Net Assets | | 71,309 | 58,471 | 69,154 | 56,117 |
| Restricted Reserves | | | | | |
| Endowment reserve | 27 | 1,036 | 1,097 | 1,036 | 1,097 |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve | | 70,188 | 57,296 | 68,118 | 55,020 |
| | | 71,224 | 58,393 | 69,154 | 56,117 |

| | | Consolidated | Restated Consolidated | University | University |
|-----------------------------|-------------|---------------------|----------------------------------|-------------------|-------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | Note | £000 | £000 | £000 | £000 |
| Non-controlling interest | | 85 | 78 | - | - |
| Total Reserves | | 71,309 | 58,471 | 69,154 | 56,117 |

The financial statements on pages 70 to 77 were approved for issue by the Board of Governors on 24 April 2024 and signed on its behalf by:

Vice Chancellor

Anne-Marie Kilday.

Chair of the Board of Governors



Dated: -26 April 2024

The notes on pages 78 to 148 form part of these financial statements.

Consolidated Statement of Cash Flows for the Year ended 31 July 2023

| | | 2023 | Restated 2022 |
|---|----|---------------|--------------------------|
| | | £000 | £000 |
| Cash flow from operating activities | | | |
| Surplus / (Deficit) for the year | | 3,146 | (23,008) |
| Adjustment for non-cash items | | | |
| Depreciation | 12 | 9,910 | 11,338 |
| Loss on disposal of Fixed Assets | | 3 | - |
| Loss on revaluation of Fixed Assets | 12 | - | 3,563 |
| Increase in stock | 15 | (713) | (121) |
| Increase in debtors | 16 | (1,776) | (9,750) |
| Increase in creditors | 18 | 11,271 | 23,871 |
| (Decrease) / Increase in provisions | 21 | (6,061) | 6,061 |
| Movement in pension provisions | | 265 | 6,782 |
| Share of operating deficit in joint venture | 14 | 3 | 73 |
| Share of operating profit in associate | 14 | (63) | (112) |
| | | 12,839 | 41,705 |
| Adjustment for investing or financing activities | | | |
| Investment income | 7 | (218) | (7) |
| Gain / (Loss) on investment | | (1,607) | 1,687 |
| Interest payable | 10 | 10,249 | 11,324 |
| Endowment income | 14 | 61 | 136 |
| Non-controlling interest | | (7) | (2) |
| Capital grant income | 2 | (398) | (474) |
| | | 8,080 | 12,664 |
| Net cash inflow from operating activities | | 24,065 | 31,361 |
| Cash flow from investing activities | | | |
| Capital grants receipts | | 163 | 359 |
| Investment income | | 1,607 | (63) |
| Endowment funds (outflow) / inflow | 14 | (167) | 180 |
| New cash deposit investments in year | | (36,000) | (57,000) |
| Cash deposit investments withdrawn in year | | 14,392 | 55,492 |
| Receipts from sale of Avenue Campus | | 1,950 | - |

University of Northampton Annual Report and Financial Statements to July 2023
 Consolidated Statement of Cash Flows for the Year ended 31 July 2023

| | | 2023 | Restated |
|---|----|-----------------|-----------------|
| | | £000 | 2022 |
| | | | £000 |
| Payments made to acquire fixed assets | 12 | (1,457) | (746) |
| | | (19,512) | (1,778) |
| Cash flows from financing activities | | | |
| Interest paid | | (9,943) | (10,029) |
| Repayments of amounts borrowed | | (2,177) | (11,055) |
| | | (12,120) | (21,084) |
| (Decrease)/Increase in cash and cash equivalents in the year | 22 | (7,567) | 8,499 |
| Cash and cash equivalents at beginning of the year | 22 | 14,720 | 6,221 |
| Cash and cash equivalents at end of the year | 22 | 7,153 | 14,720 |

The notes on pages 78 to 148 form part of these financial statements.

Notes to the Financial Statements

1.0 Statement of Principal Accounting Policies for the year ended 31 July 2023

1.1. General Information

The University of Northampton is registered in England. The address of the registered office is Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

1.2. Basis of Preparation

These consolidated financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP: Accounting for Further and Higher Education 2019), in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK And Republic of Ireland", OFS accounts direction 2019 and applicable law. The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets. The Institution and Group is a Public Benefit Entity.

The University has taken advantage of the exemption permitted by FRS 102 to only disclose a consolidated cashflow statement. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. All amounts are disclosed in £000's. The functional and presentational currency used in these statements is GBP unless otherwise stated.

Going concern assessment

The financial statements are prepared on a going concern basis. The University considers the most appropriate going concern period to be until 31 July 2025, which is over 12 months from the approval of these financial statements.

In adopting the going concern basis for preparing the financial statements, the Board of Governors have considered the University's principal risks and uncertainties in the context of the current operating environment, including reviews of liquidity and covenant forecasts.

Financing arrangements through going concern assessment period

The University had in place external financing arrangements at 31 July 2023, totalling a balance of £264.6 million (£1.8m short term and £262.8m long term) comprising the bond (£230.7m), Public Works Loan Board (PWLB) loans (£30.0m) and finance leases (£3.9m). (2022: £266.8 million (£2.2m short term and £264.6m long term) comprising the bond (£230.7m), PWLB loans (£31.7m) and finance leases (£4.4m)).

Covenants

The following loan agreements are subject to covenant terms: the bond and PWLB loans. These loan agreements have been guaranteed by His Majesty's Treasury (HMT) who require the University of Northampton to comply with a number of covenants.

The University has forecast its compliance against all existing covenants through its going concern assessment period to 31 July 2025 and based on its forecast scenarios are forecasting a net asset position in the balance sheet within each scenario, this removes the risk of the University being unable to meet its

liabilities. A waiver was granted by HMT in relation to a forecast net liability position, if this materialised it would have been regarded as a major event of default, the waiver was granted for the period through to 31 December 2022. Given its expected liquidity and the receipt of the LGPS valuations for 31 July 2023, confirming that pension position is now an asset, the University did not need to request an additional waiver from HMT as it is confident that there will be no event of defaults for the remainder of the going concern period through to 31 July 2025.

The Collateral Deed with HMT also includes financial covenants measured twice a year in May and November. These financial covenants include the calculation of historical and prospective Debt Service Cover Ratios (DSCR's). A prospective ratio falling below 1.15x trigger sanctions restricting the University's future operations.

HM Treasury provided a waiver against the event of default resulting from the late submission of the 2021/22 financial statements. This waiver expired on 31 October 2023. No such waiver is required for the 2022/23 financial statements.

Based on the forecast scenarios the University is not expected to breach any of the debt services ratios for the remainder of the going concern period.

Forecasting through going concern period, including plausible worst-case scenario and reverse stress testing

The University has continually reassessed its latest forecast in light of the changing conditions. The latest base case, prepared in January 2024 for the November census point, shows an annual forecast through to 2055/56 with no

predicted breaches of any covenants. This annual forecast has been converted to a month-by-month cashflow covering the going concern period to 31 July 25. The University has also run a plausible downside scenario. The key variables that are subject to most judgement are tuition fees and accommodation income due to competition for student numbers and changing visa requirements for international students. The scenarios model the period to 31 July 25, being the going concern period for the financial statements. The base case and plausible downside scenarios have been considered by the Board. The base case scenario uses the 31 July 2023 actual results as its starting point. For 2023/24 it includes the latest enrolment data. The base case assumes a decrease in home enrolments of 200 FTE in 2024/25 with overseas recruitment dropping by 500 and also includes prudent attrition rates. The University transfers cash to an investment portfolio, making sure that c£10m cash remains in bank accounts. This Investment portfolio will not drop lower than £56m (subject to the valuation movements in the investment portfolio which are unknown at the current time and have not been forecast) during going concern period. The plausible downside scenario assumes home student numbers would drop by a further 10% and overseas students would drop by another 600 (across 3 enrolment points) in 2024/25, this would leave the University with minimum investments of £53m. The University has considered a worst-case scenario to stress test the model. This allowed management to assess their current financial resources and the likelihood that such a 'business-breaking' scenario would occur. In this extreme scenario key assumptions include no recruitment of new home or overseas students, and accommodation would drop to 20% capacity. This scenario would lead to the University having no cash reserves or Investment portfolio by the end of the going concern period. Management is satisfied that it remains sufficiently remote that such assumptions would occur to consider this scenario plausible in assessing the University's position as a going concern.

Office for Students liquidity target

The Office for Students requires that universities monitor their access to a minimum liquidity of 30 days operating expenditure on a 3-month rolling basis. Where this is considered reasonably likely to occur this is a reportable event but does not have a direct impact on management's ability to continue as a going concern. For the University, this equates to a minimum cash/current investment balance of at least £10m. Based on the University forecasts there is no risk of breaching this requirement under the base case and plausible downside scenarios.

Conclusion – in relation to going concern

The University and Group is forecasting a Positive net asset position during the going concern period. The University has no cause for concern with regard its financial sustainability and upon the University and Group's ability to continue as a going concern and, therefore, it will be able to realise its assets and discharge its liabilities in the normal course of business.

The University has carefully considered the financial forecasting outlined above, available financing, the assessment of the scenarios set out above and forecast covenant compliance. The University and group consider that the liquidity headroom and financial covenants are manageable. Accordingly, the Board of Governors has concluded that there is reasonable expectation that the University and Group has adequate resources to continue in operational existence for the going concern period. No material uncertainties have been identified related to events or conditions that cast significant doubt upon the entity's ability to continue as going concern, therefore, the Board of Governors have concluded that there are no material uncertainties and continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Basis of Consolidation

The consolidated financial statements include the University, its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2023. Accounting policies have been consistently applied across the group. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of 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 the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. Associated companies and joint ventures are accounted for using the equity method.

1.4. Recognition of Income

Tuition Fees

Fee income, including short courses and CTC is stated gross and credited to the Consolidated and University Statement of Comprehensive Income over the year in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Partnership income, where the University is the principal provider, are included within "Full time HE fees" and "Part time HE fees". Educational contracts are included in "Contracts with the University in lieu of academic fees" and are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Grant Income

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

Non-recurrent government grants received in respect of the acquisition or construction of tangible fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the Consolidated and University Statement of Comprehensive Income over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded. Grants received on assets held at valuation are recognised when the performance related conditions have been met.

Other income

Residences and rental income is credited to the Consolidated and University Statement of Comprehensive Income over the period in which the property is rented.

Commercial project and grant income is recognised when the University is entitled to the income according to the conditions of the commercial contract or when performance related conditions have been met.

Income from the sale of goods or services including catering and conferences is credited to the Consolidated and University Statement of Comprehensive

Income when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied.

Investment Income

Investment income and appreciation of endowments is recorded in income on a receivable basis, endowment income either restricted or unrestricted income according to the terms of restriction applied to the individual fund. Our investment portfolio consists of either corporate bonds and certificates of deposit only and all investments meet the credit rating (A1/P1) stipulated in the bond agreement.

Donations and Endowments

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

Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

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 power to use the capital.

1.5. Accounting for retirement benefits

The University contributes to the Universities Superannuation Scheme (USS), the Local Government Superannuation Scheme (LGPS) and the Teachers' Pension Scheme (TPS). All schemes are defined benefit schemes which are contracted out of the Second State Pension (S2P).

The assets of the USS and TPS are held in separate trustee-administered funds. Because of the nature of the schemes, the schemes' assets are not hypothecated to individual universities and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other universities' employees and is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the schemes as if they were defined contribution schemes.

As a result, the amount charged to the Consolidated and University Statement of Comprehensive Income represents the contributions payable to the schemes in respect of the accounting year.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

The LGPS is a defined benefit scheme, the assets of which are held separately from those of the University in independently administered funds. Calculations for the obligation are calculated by a qualified actuary.

Pension scheme assets are measured using market value and are valued at bid price. Pension scheme liabilities are measured using the projected unit credit method and are discounted at the current rate of return on a high-quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Group and University's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the

increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other income. Actuarial gains and losses are recognised in other comprehensive income.

Pension scheme surplus, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the Consolidated and University Balance Sheet.

1.6. Intangible asset

Intangible assets are defined as an identifiable non-monetary asset without physical substance. An intangible asset is identifiable when it is separable, i.e., capable of being separated or divided from the entity and sold, transferred, licensed, rented, exchanged, either individually or together with a related contract, asset or liability.

Under FRS 102 we do not consider the Software costs associated with the implementation of a new student records system as an intangible asset, the system has no re-sale value and cannot be separated from the Group and University and sold separately. On this basis software costs have not been capitalised in the financial statements.

1.7. Tangible fixed assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value prior to the date of transition to the Statement of Recommended Practice for Further and Higher Education 2015 (SORP), are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings are recognised at cost based on initial purchase or construction price and are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of 50 years for buildings pre-Waterside, all buildings on the Waterside Campus are depreciated on a straight-line basis over their expected useful lives of 80 years. Leasehold land is depreciated over the life of the lease.

Leasehold land relates to the land the St. Johns Halls of residences is built on in the centre of Northampton. The land has been treated as a finance lease with an upfront payment incurred with an annual peppercorn subsequently. The period the lease has been capitalised over is 50 years.

All other freehold / leasehold building components are capitalised at cost and depreciated over its expected useful life, as follows:

| | |
|--|---------------|
| Building, mechanical and electrical Infrastructure | 30 - 50 years |
| Sporting facilities | 10 - 25 years |
| Reconfiguration and general refurbishments | 10 years |

Assets under construction are accounted for at cost, based on the value of the architects' certificates and other direct costs incurred to the balance sheet date. They are not depreciated until they are brought fully into use.

Equipment, including computer hardware and software, costing less than £5,000 is included as an expense in the Consolidated and University Statement of

Comprehensive Income account in the year of acquisition. All other equipment is capitalised at cost and depreciated over its expected useful life, as follows:

| | |
|----------------------------------|--------------|
| Furniture, fixtures and fittings | 5 – 20 years |
| Plant and machinery | 5 – 10 years |
| Short Life Computer equipment | 3 years |
| Motor vehicles | 4 years |
| Other equipment | 4 – 5 years |

Borrowing costs are recognised as expenditure in the period in which they are incurred.

1.8. Investment Property

Investment properties are measured initially at cost. After initial recognition, investment properties are measured and carried at fair value.

There were two investment properties included in the balance sheet at the start of the financial year, the iCon Building and the Newton Building. The iCon building is for external use and is in the process of being sold, fair value is based on the agreed sale price. The Newton Building was leased to a third party with an option to purchase of £1.95m. External property consultant Savills considered this valuation to be fair and commensurate with the value of the property, nature and condition of the building and current market conditions. The Newton Building was sold during 2022/23.

The fair value of the investment properties reflects the market conditions at the balance sheet date. Changes in fair values are recorded in the Consolidated and University Statement of Comprehensive Income.

1.9. Maintenance of premises

The cost of routine corrective maintenance is charged to the Consolidated and University Statement of Comprehensive Income in the period the maintenance is undertaken.

1.10. Finance Leases

Leases in which the University and Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated 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, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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

1.11. 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.

1.12. Investments

Listed Investments held are shown at fair value with the movements recognised in the Consolidated and University Statement of Comprehensive Income.

Investments in jointly controlled entities, associates and subsidiary undertakings are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with the movements recognised in the Consolidated and University Statement of Comprehensive Income. These are comprised of bank and money market investments.

1.13. Cash and Cash equivalents

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

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

1.14. Taxation Status

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

1.15. Provisions and contingent liabilities

Provisions are recognised in the financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

A contingent liability arises from a past event that gives the Group and University 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 Group and University. 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.

1.16. Stock

Stock is stated at the lower of their cost and estimated selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving, and defective stocks.

1.17. Joint venture entities and associates

The Consolidated Statement of Comprehensive Income includes the Group's share of the income, expenditure and tax of associated undertakings and joint ventures, while the Consolidated Balance Sheet includes investment in associated undertakings and joint ventures using the equity method.

Associated undertakings are those in which the University has a significant, but not dominant, influence over their commercial and financial policy decisions. Joint ventures represent investments in which the University has joint control. In the University's financial statements, the investment in joint ventures and associated undertakings are included in the balance sheet at cost less impairment.

1.18. 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 Group and University. Any unused benefits are accrued and measured as the additional amount the Group and University expects to pay as a result of the unused entitlement. Redundancy and severance costs are included in the year in which the process began, if full costs are not known or paid in the current year then accruals will be raised for the estimated final costs.

1.19. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of transaction. 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. Foreign exchange differences arising on

translation are recognised in Consolidated and University Statement of Comprehensive Income. 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.

1.20. Interest Bearing Bond and Long-Term Borrowings

Bonds and long-term borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method in compliance with FRS 102.

1.21. Financial Instruments

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period the financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate.

The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed and recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has practical ability to unilaterally sell the asset to an unrelated 3rd party without imposing restrictions. Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies are initially recognised at transaction price. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

1.22. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

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

1.23. Significant judgements and key sources of estimation uncertainty

Management are required to exercise judgement in the process of applying the company accounting policies. Estimates and judgements are continually

evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material misstatement to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Key sources of estimation uncertainty relating to balances included in the financial statements relate to:

- The company have made assumptions in the determination of the fair value of the investment properties in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset.
- 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 or income for pensions include the discount rate. Any changes to these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability.
- Management have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives, and residual values are appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.
- Debtors are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts

may not be recoverable. Where the expectation is different from the original estimate, such differences will impact the carrying value of debtors and the charge in the statement of comprehensive income.

- Management reviewed the likelihood of a creditor being created in relation to the ongoing legal case and have decided that no provision is required.

1.24. Prior Period Adjustments

In accordance with FRS 102 The University of Northampton will record a prior period adjustment where there have been omissions from, and misstatements in, the Group or University's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) Was available when financial statements for those periods were authorised for issue and;
- b) Could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

In the financial year to 31 July 2023, it was decided that the Groups investment asset should be recorded at the agreed sale price, not the independent valuation. The University financial statements were unaffected by this change. See note 13 for further details.

2.0 Funding Body Grants

| | Consolidated | Consolidated | University | University |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Recurrent grant | | | | |
| Office for Students | 4,270 | 3,763 | 4,270 | 3,763 |
| Research England | 1,051 | 958 | 1,051 | 958 |
| National College for Teaching and Leadership | 5 | 5 | 5 | 5 |
| Specific grants | | | | |
| Higher Education Innovation Fund | 1,230 | 858 | 1,230 | 858 |
| Capital grant | 398 | 474 | 398 | 474 |
| | 6,954 | 6,058 | 6,954 | 6,058 |

Capital grant comprises amounts received from the above bodies for the purposes of capital development and expenditure. Funds are held within creditors and released to income over the useful life of the asset. Of the amounts disclosed £54k (2022: £54k) relates to buildings and £344k (2022: £420k) relates to equipment.

3.0 Tuition Fees and Education Contracts

| | Consolidated | Consolidated | University | University |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Full-time HE fees – UK and EU students | 84,256 | 78,503 | 84,256 | 78,503 |
| Full-time HE fees – overseas and other students | 53,873 | 29,484 | 53,873 | 29,484 |
| Part-time HE fees | 3,640 | 4,025 | 3,640 | 4,025 |
| Short course fees | 8,831 | 7,076 | 8,831 | 7,076 |
| Contracts with the University in lieu of academic fees | 8,791 | 6,455 | 8,791 | 6,455 |
| | 159,391 | 125,543 | 159,391 | 125,543 |

4.0 Research Grants and Contracts

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Research Councils | 100 | 18 | 100 | 18 |
| UK Based Charities | 182 | 154 | 182 | 154 |
| UK Central Government and Local Authorities | 541 | 274 | 541 | 274 |
| UK Industry and Commerce | 180 | 144 | 180 | 144 |
| EU Government | 41 | 116 | 41 | 116 |
| EU Other | 64 | 27 | 64 | 27 |
| Others | (5) | 137 | (5) | 137 |
| | 1,103 | 870 | 1,103 | 870 |

There were no unfulfilled conditions associated with Government grants included in the table above at either year-end.

5.0 Other Operating Income

| | Consolidated | Consolidated | University | University |
|--------------------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Residences, catering and conferences | 12,787 | 10,370 | 12,354 | 9,904 |
| Other income | 4,073 | 4,015 | 4,353 | 3,967 |
| | 16,860 | 14,385 | 16,707 | 13,871 |

6.0 Source of Grant and Fee Income

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Grant income from the OfS | 4,589 | 4,143 | 4,589 | 4,143 |
| Grant income from other bodies | 3,469 | 2,785 | 3,469 | 2,785 |
| Fee income for taught awards (exclusive of VAT) | 150,130 | 117,864 | 150,130 | 117,864 |
| Fee income for research awards (exclusive of VAT) | 336 | 385 | 336 | 385 |
| Fee income from non-qualifying courses (exclusive of VAT) | 8,924 | 7,294 | 8,924 | 7,294 |
| Total grant and fee income | 167,448 | 132,471 | 167,448 | 132,471 |

7.0 Interest Received

| | Consolidated | Consolidated | University | University |
|-------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Interest received | 218 | 7 | 202 | 2 |
| | 218 | 7 | 202 | 2 |

8.0 Donations and Endowments

| | Consolidated | Consolidated | University | University |
|-----------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Donation & Endowment Income | 121 | 99 | 121 | 99 |
| | 121 | 99 | 121 | 99 |

9.0 Staff Costs

The Board of Governors has formally adopted the 'Higher education senior staff remuneration code' published by the Committee of University Chairs (CUC) and has had due regard to this in all relevant remuneration decisions.

| | Consolidated | Consolidated | University | University |
|----------------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Staff costs | | | | |
| Wages and salaries | 59,585 | 54,068 | 53,386 | 48,729 |
| Social Security costs | 6,447 | 5,437 | 5,924 | 5,039 |
| Other pension costs (note 25) | 12,996 | 18,103 | 12,766 | 17,825 |
| Total | 79,028 | 77,608 | 72,076 | 71,593 |

During the year ended 31 July 2023, total redundancy / severance costs were £356k (2021/22: £210k, paid to 11 individuals). This was paid to 13 individuals. All costs were paid during the year and there are no associated creditors. No compensation was paid or creditors created in relation to loss of office.

| | Consolidated | Consolidated | Consolidated | Consolidated |
|--|---------------------|---------------------|---------------------|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | Number | Number | FTE | FTE |
| The average monthly number of persons employed during the year were: | | | | |
| Academic | 1,611 | 1,530 | 606 | 545 |
| Support | 902 | 846 | 767 | 725 |
| Total | 2,513 | 2,376 | 1,373 | 1,270 |

| | University | University | University | University |
|--|-------------------|-------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | Number | Number | FTE | FTE |
| The average monthly number of persons employed during the year were: | | | | |
| Academic | 1,611 | 1,530 | 606 | 545 |
| Support | 708 | 666 | 593 | 559 |
| Total | 2,319 | 2,196 | 1,199 | 1,104 |

| | 2023 | 2022 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Emoluments of the Vice Chancellor | | |
| Salary | 197 | 205 |
| Healthcare | 1 | 3 |
| Performance related pay | - | 9 |
| Non-taxable benefits | - | 2 |
| Value of residential emolument | - | 10 |
| | 198 | 229 |
| Pension contributions | 47 | 49 |
| Total emoluments | 245 | 278 |

All of the Vice Chancellors remuneration is paid through the University. The current VC took up her position on 01 August 2022, the previous VC left his post

on 31 July 2022. All costs recorded in 2023 relate to the current VC. Performance Related Pay of (£8,553) paid during 2023 to the previous VC was accrued in 2022.

Vice Chancellor's Remuneration

The emoluments of the Vice Chancellor (VC) are shown on the same basis as for higher paid staff. The University's pension contributions to the Teachers' Pension Scheme are paid at the same rates as for other academic staff at 23.68% of pensionable pay. The VC received no dividends from the University during the reporting period.

Performance Related Pay

Over the reporting period the VC, in common with other senior staff, could receive discretionary non-consolidated performance related pay of up to 15% of salary. Of the 15%, 10% is based on the achievement of corporate objectives chosen by the Board from the KPIs. 5% is based on the achievement of personal objectives. These are approved and overseen by the Remuneration Committee. There is no salary sacrifice arrangements in respect of the VC's salary or compensation payments for loss of office during the reporting period. Due to the change in VC, no PRP was awarded in 2022/23 (2021/22: £8,553).

Taxable Benefit

The VC is no longer paid a residential allowance (2021/22: £9,617) In common with all senior staff, the VC also receives healthcare insurance at a cost of £523 (2021/22: £2,481).

Non-Taxable Benefits

The VC received nil non-taxable benefits during the year, 21/22 as follows:

| | |
|--|--|
| Membership of the Athenaeum Club which allows the Vice Chancellor to stay in London whilst on business there | £417.50 (Quarter 1 and 2) £442.50 (Quarter 3 and 4) |
| Fellowship of the Royal Society of Arts | £182.00 |
| Subscription to the Geological Society | - |
| Subscription to European Geosciences Union | £17.29 |
| Stanford – magazine subscription | £53.74 |
| Membership to Southbank Centre | £84.00 |
| Total | £2,057.03 |

In addition, where this is most effective in cost/benefit terms, the VC has the use of the University car and a shared driver whilst on university business. All members of the University Leadership Team are able to use this service.

Justification for the VC's Remuneration Package

As set out elsewhere in this report, the University is a complex institution which operates in a tough external environment. For example:

- 14,400 students on campus, and a further 6,000 taught via academic partnership and distance learning arrangements.
- £184m turnover.
- Strong competition for student and staff recruitment
- High level of long-term borrowing to support the development of the Waterside Campus and therefore bond covenants to maintain.
- Increasing cost pressures.

Against this background, the VC has delivered exceptional performance and value by:

- Driving the co-creation by the University of a new strategy. The strategy was developed over 2022-23 and approved by the Board in July 2023.
- Demonstrating leadership through the delivery of a high performing and effective University Leadership Team, including a reorganisation of the team. The reorganisation concluded by July 2023, and recruitment to some posts is ongoing.
- Demonstrating leadership by championing equality, diversity and inclusion initiatives for and with University stakeholders to ensure the University's reputation as a welcoming and inclusive institution is enhanced and realised. A new Equality, Diversity and Inclusion (EDI) unit and manager was put in place in 2023. Reorganisation has given the EDI unit greater prominence and a direct reporting line to the VC. Significant progress has been made on raising the profile of EDI at the University.
- Demonstrating leadership through assertive communication of the University's perspective and profile to all stakeholders and emphasising the University's strengths. The VC run open sessions for staff which were well attended. She engaged all staff and students in the development of the new strategy. The 'Festival of Waterside' series of events was successful in engaging staff, students and other stakeholders.
- Producing high quality research outputs. The VC has published a monograph which will contribute to the Research Excellence Framework. The VC has directly contributed to the student experience through delivering teaching on the history of crime.
- Building relationships and trust through the University community for example through instituting a weekly email update to all staff from the

University Leadership Team and the weekly drop-in sessions which any member of staff may attend.

- Providing leadership on the senior team's responses to significant issues facing the University over the year.
- Setting and working towards challenging key performance indicators which are reported on elsewhere in this report. 50% of the KPIs for 2022/23 were achieved.

The VC's performance is monitored and assessed formally by the Chair of the Board as the VC's line manager. The VC has annual personal objectives set through the Performance and Development Review process. The Chair of the Board reports on the VC's performance, including the achievement of objectives, to the Remuneration Committee.

The Remuneration Committee defines exceptional performance as the achievement of personal objectives set through the Performance and Development Review process which add value beyond the performance expected of the role and its constituent responsibilities. At the time of writing, the VC has made good progress towards the achievement of all objectives and the Committee is entirely satisfied with her performance.

The Board hereby confirms that it had regard to the HE Senior Staff Remuneration Code in setting the VC's remuneration. How the University complies with the HE Senior Staff Remuneration Code is set out in detail in the Remuneration Committee's Annual Report which is published on the University's website.

In setting and reviewing remuneration, the Remuneration Committee has a duty to take into account affordability and the budgetary position, strategy and

market position, the University's charitable status and value for money, the public interest and the use of public funds, comparative information from the sector and the HE Senior Staff Remuneration Code. The Committee hereby confirms that these matters were assessed before a salary offer was made to the new VC.

The VC is entitled to an annual inflationary pay award. This is the same as the inflationary award to all other staff under the National Framework Agreement of Joint Negotiation Committee for Higher Education Staff (JNCHES). No other or alternative inflationary award decisions can be made by the Remuneration Committee.

A performance related pay scheme was in operation during 2022-23. However, the scheme was not open to employees in the first year of their employment and was not therefore applicable to the VC during the 2022-2023 academic year. Over 2022-2023, the scheme was reviewed, and it has since been removed.

Every three years, the VC's remuneration is benchmarked against comparable roles in other higher education institutions. The data is reviewed by the Remuneration Committee. The Committee may decide to make a salary adjustment, taking into account the comparative remuneration data and its responsibilities under the HE Senior Staff Remuneration Code and its terms of reference. There are no salary negotiations in addition to the benchmarking exercise. No benchmarking exercise of the VC's remuneration took place during the 2022-2023 academic year. The Remuneration Committee intends to carry out a full comparative assessment of the VC's remuneration during 2023-24.

The Remuneration Committee has examined comparative salary data and notes that the VC's salary is in the bottom quartile of VC basic salaries nationally and below the average for similar institutions.

In summary, the Board believes that the VC's remuneration package is justified because:

- The VC has delivered exceptional individual performance and leadership of the University.
- The internal and external environments in which the VC performs are complex and pressured.
- No changes were made to the remuneration package over the reporting period.

Pay Multiple

The VC's basic salary is 4.70 times the median pay of staff (£41,931) (2021/22: 5.17, £39,739) and the VC total remuneration is 4.86 times the median total remuneration of staff (£50,266) (2021/22: 5.88, £47,316). In both instances the median pay is calculated based on the amounts paid by the University to its contracted staff on an FTE basis, excluding temporary agency staff.

Remuneration of (Consolidated and University) higher paid staff

| | 2023 Numbers | 2022 Numbers |
|---------------------|-------------------------|-------------------------|
| £205,000 - £209,999 | - | 1 |
| £195,000 - £199,999 | 1 | - |
| £165,000 - £169,999 | - | 1 |
| £155,000 - £159,999 | 1 | - |
| £145,000 - £149,999 | - | 1 |
| £130,000 - £134,999 | 1 | - |
| £120,000 - £125,999 | 1 | - |
| £110,000 - £114,999 | - | 3 |
| £100,000 - £104,999 | 1 | 1 |

In line with disclosure requirements set out in the Office for Students' Accounts Direction for the 2022/23 financial year, the above table shows the basic salaries of higher paid staff, including the Vice Chancellor, on a full-time equivalent basis. Basic salary includes market supplements, but excludes bonus payments, allowances, clinical excellence awards and other such payments. Market supplements were excluded from the prior year figures, in line with disclosure requirements set out in the Office for Students' Accounts Direction for that financial year.

Key Management Personnel

| | 2023 | 2022 |
|---------------------------------------|-------------|-------------|
| | £000 | £000 |
| Key Management Personnel | | |
| Key management personnel compensation | 2,981 | 2,667 |

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. This is all staff sitting on the University Leadership Team (ULT) including all Deans and Directors. Staff costs include compensation paid to key management personnel.

In February 2020 the Remuneration Committee considered remuneration arrangements for all senior post holders. In accordance with individual contracts of employment each senior post holder receives the nationally agreed pay award on an annual basis, with a full benchmark review on a three-year cycle.

No member of the Board of Governors received an emolument during the year in their capacity as a Governor. Governors were reimbursed a total of £3,048 (2021/22: £867) for expenses in connection with their duties as a Governor.

10.0 Interest and Other Finance Costs

| | Consolidated | Consolidated | University | University |
|-----------------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Bond interest | 8,784 | 8,780 | 8,810 | 8,802 |
| Loan interest | 1,180 | 1,289 | 1,180 | 1,289 |
| Pension finance costs | 285 | 1,255 | 354 | 1,257 |
| | 10,249 | 11,324 | 10,344 | 11,348 |

11.0 Analysis of 2022/23 Expenditure by Activity

| Consolidated | | | 2023 | | | 2022 |
|--------------------------------------|---------------|--------------------------|---------------------------|----------------------------|----------------|----------------|
| | Staff costs | Other operating expenses | Depreciation & impairment | Interest and other finance | Total | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Academic departments | 43,630 | 14,598 | 3,545 | - | 61,773 | 68,526 |
| Academic services | 12,183 | 10,994 | 1,411 | - | 24,588 | 21,688 |
| Administration and central services | 14,583 | 43,926 | 3,562 | - | 62,071 | 37,032 |
| Premises | 4,679 | 9,633 | 871 | - | 15,183 | 12,320 |
| Residences, catering and conferences | 2,120 | 3,266 | 328 | - | 5,714 | 4,060 |
| Research | 1,527 | 158 | 103 | - | 1,788 | 2,782 |
| Other | 62 | 1,410 | 90 | 9,964 | 11,526 | 10,173 |
| FRS 102 pension costs | 244 | - | - | 285 | 529 | 8,178 |
| Total | 79,028 | 83,985 | 9,910 | 10,249 | 183,172 | 164,759 |

Included in "Other operating expenses" are external audit fees of £801k (£184k MHA, £615k BDO), (2021/22: £353k BDO), internal audit fees of £69k (2021/22: £58k) and operating lease payments of £774k (2021/22 £667k).

| University | | | 2023 | | | 2022 |
|--------------------------------------|---------------|--------------------------|---------------------------|----------------------------|----------------|----------------|
| | Staff costs | Other operating expenses | Depreciation & impairment | Interest and other finance | Total | Total |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Academic departments | 43,630 | 15,074 | 3,584 | - | 62,288 | 69,112 |
| Academic services | 12,134 | 11,448 | 1,440 | - | 25,022 | 22,033 |
| Administration and central services | 12,619 | 44,576 | 3,492 | - | 60,687 | 35,506 |
| Premises | 1,434 | 13,460 | 909 | - | 15,803 | 13,015 |
| Residences, catering and conferences | 622 | 4,541 | 315 | - | 5,478 | 3,948 |
| Research | 1,527 | 184 | 104 | - | 1,815 | 2,780 |
| Other | | 1,242 | 75 | 9,990 | 11,307 | 10,091 |
| FRS 102 pension costs | 110 | - | - | 354 | 464 | 7,985 |
| Total | 72,076 | 90,525 | 9,919 | 10,344 | 182,864 | 164,470 |

Included in "Other operating expenses" are external audit fees of £749k (£143k MHA, £615k BDO), (2021/22: £308k BDO), internal audit fees of £69k (2021/22: £58k) and operating lease payments of £707k (2021/22: £623k).

12.0 Tangible Fixed Assets

| Consolidated | | | | | |
|---------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|------------------|-----------------|
| | Assets Under Construction | Land & Buildings Leasehold | Land & Buildings Freehold | Equipment | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | |
| At 01 August 2022 | - | 7,286 | 317,298 | 39,084 | 363,668 |
| Additions at cost | 892 | - | - | 565 | 1,457 |
| Disposals | - | - | - | (708) | (708) |
| At 31 July 2023 | 892 | 7,286 | 317,298 | 38,941 | 364,417 |
| Accumulated Depreciation | | | | | |
| At 01 August 2022 | - | (1,213) | (28,606) | (26,396) | (56,215) |
| Charge for year | - | (306) | (5,837) | (3,767) | (9,910) |
| Disposals | - | - | - | 705 | 705 |
| At 31 July 2023 | - | (1,519) | (34,443) | (29,458) | (65,420) |
| Net book value | | | | | |
| At 31 July 2023 | 892 | 5,767 | 282,855 | 9,483 | 298,997 |
| At 31 July 2022 | - | 6,073 | 288,692 | 12,688 | 307,453 |
| Financed by capital grant | - | - | 2,284 | 589 | 2,873 |
| Financed by lease agreement | - | 3,879 | - | - | 3,879 |
| Other | 892 | 1,888 | 280,571 | 8,894 | 292,245 |
| Net book value at 31 July 2023 | 892 | 5,767 | 282,855 | 9,483 | 298,997 |

| University | | | | | |
|---------------------------------------|----------------------------------|---------------------------------------|--------------------------------------|------------------|-----------------|
| | Assets Under Construction | Land & Buildings Leasehold | Land & Buildings Freehold | Equipment | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Cost | | | | | |
| At 01 August 2022 | - | 7,286 | 318,146 | 38,957 | 364,389 |
| Additions at cost | 892 | - | - | 554 | 1,446 |
| Disposals | - | - | - | (708) | (708) |
| At 31 July 2023 | 892 | 7,286 | 318,146 | 38,803 | 365,127 |
| Accumulated Depreciation | | | | | |
| At 01 August 2022 | - | (1,213) | (28,654) | (26,299) | (56,166) |
| Charge for year | - | (306) | (5,853) | (3,760) | (9,919) |
| Disposals | - | - | - | 705 | 705 |
| At 31 July 2023 | - | (1,519) | (34,507) | (29,354) | (65,380) |
| Net book value | | | | | |
| At 31 July 2023 | 892 | 5,767 | 283,639 | 9,449 | 299,747 |
| At 31 July 2022 | - | 6,073 | 289,492 | 12,658 | 308,223 |
| Financed by capital grant | - | - | 2,284 | 589 | 2,873 |
| Financed by lease agreement | - | 3,879 | - | - | 3,879 |
| Other | 892 | 1,888 | 281,355 | 8,860 | 292,995 |
| Net book value at 31 July 2023 | 892 | 5,767 | 283,639 | 9,449 | 299,747 |

13.0 Investment Property

| | Restated Consolidated | University |
|-----------------------------------|----------------------------------|-------------------|
| | £000 | £000 |
| Balance as at 01 August 2022 | 2,200 | 1,950 |
| Sale of asset | (1,950) | (1,950) |
| Balance as at 31 July 2023 | 250 | - |

The Group held two investment properties at the start of the year but sold one during the year.

During 2021/22 the University had leased the Newton building at the former Avenue Campus to a perspective buyer. The lease included an agreed purchase option price of £1,950k. The sale completed during the year for the agreed price.

The other investment property is the Icon Building. During 2021/22 a sale price was agreed of £250k was agreed but due to the conditions of use of the building the sale is proving to be a lengthy process, but contracts have been exchanged and the group expects the sale to complete in mid-2024. Initially this asset was valued at £1,950k in the 2021/22 financial statements based on an independent, external investment valuation of the property carried out by Gerald Eve LLP, Chartered Surveyors. The valuation had been prepared in accordance with Royal Institution of Chartered Surveyors Valuation Standards, valuing on the basis of an investment property and taking into account factors such as the property growth and market in the surrounding area. The group has since changed its position and restated the 2021/22 position based on the agreed sale price of £250k.

14.0 Investments

Consolidated

| | Joint Ventures | Associates | Permanent Endowments | Other | Total |
|-----------------------------|-----------------------|-------------------|-----------------------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 01 August 2022 | 2 | 458 | 916 | - | 1,376 |
| Change in valuation in year | (3) | 63 | (2) | - | 58 |
| 31 July 2023 | (1) | 521 | 914 | - | 1,434 |

University

| | Joint Ventures | Associates | Permanent Endowments | Other | Total |
|-----------------------------|-----------------------|-------------------|-----------------------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| 01 August 2022 | - | 200 | 916 | 51 | 1,167 |
| Change in valuation in year | - | - | (2) | - | (2) |
| 31 July 2023 | - | 200 | 914 | 51 | 1,165 |

The University and Group believes the carrying value of the investments is supported by their underlying net assets. The brought forward investment figure relates to permanent endowment assets held in an investment fund for long term investment.

The Group has the following investments in joint ventures:

Uno Buses (Northampton) Limited

The group holds a 50% share of Uno Buses (Northampton) Limited. This is a joint venture company owned equally by The University of Northampton Enterprises Ltd and University Bus Limited. The company provides bus services for Northamptonshire.

| | Uno Buses (Northampton) Limited | Uno Buses (Northampton) Limited |
|--|--|--|
| | 2023 | 2022 |
| | £ | £ |
| At 01 August – share of net assets | 2,102 | 75,005 |
| Share of loss for the year | (2,725) | (72,903) |
| At 31 July – share of net (liabilities) / assets | (623) | 2,102 |

The Group has the following investments in associates:

Goodwill Solutions (Holdings) CIC

Registered office: 1056 Deer Park Road, Moulton Park, Northampton, NN3 6RX

The University holds 20% of the share capital of Goodwill Solutions (Holding) CIC, this is treated as an associate. The holding company is part of a group which includes a logistics and warehousing social enterprise that provides services to both commercial retailers and manufacturers. It also aims to help the local community by running Back to Work programmes, training ex-offenders, the homeless and disadvantaged youths for employment in the logistics sector.

Goodwill Solutions (Holdings) CIC

| | Share of net assets |
|------------------------------|----------------------------|
| | £ |
| At 01 August 2021 | 345,740 |
| Share of profit for the year | 112,608 |
| At 31 July 2022 | 458,348 |
| At 01 August 2022 | 458,348 |
| Share of profit for the year | 62,266 |
| At 31 July 2023 | 520,614 |

The University holds the following Investment in Subsidiaries:

Connected Together - CIC

Registered office: Moulton Park Business Centre, Redhouse Road, Moulton Park, Northampton, NN3 6AQ.

Connected Together Community Interest Company (CIC) operates the statutory Healthwatch contracts for Northamptonshire County Council and Rutland County Council and undertakes consulting contracts providing independent reviews of organisations in the healthcare and social care sectors. These contracts provide an independent consumer champion voice for everyone who uses local health and social care services in the two counties to ensure everyone gets the best they can from their local health provision.

The CIC provides information on local health and social care services and signposts people to where they can get the right help and support.

Commissioned by the two County Councils, Connected Together CIC is run as a social enterprise with the support of the University of Northampton and Voluntary Impact Northampton (VIN). The University owns 51% of the share capital and VIN the remainder. The company is registered in England and Wales and operates in the UK.

The University of Northampton Enterprises Limited

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

The company is registered in England and Wales and operating in the UK and is a 100% subsidiary of the University, whose principal activities are the provision of facilities maintenance services, provision of a recruitment agency, the provision of hotel and conferencing services, delivery of support services and provision of the community radio station service to Northampton.

iCon East Midlands and iCon Operations Limited

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

iCon East Midlands, a company limited by guarantee, is an organisation set up to manage the project and day to day running of the iCon building in Daventry, a centre for business units utilising green technologies. The day-to-day trading operates through iCon Operations Limited. Both companies are registered in England and Wales and are 100% subsidiaries of The University.

It is the intention of the University to begin the wind-up process for both companies once the sale of the building has completed.

Societal CIC

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

Societal CIC was set up to tackle transportation challenges by analysing travel data and applying transformative innovative solutions. Expanding on work carried out by the University of Northampton Institute of Logistics, Infrastructure, Supply and Transport (LIST) it holds research contracts that are undertaken by ILIST. This Entity was dissolved in February 2023 and had been dormant during the financial year up to that point.

Waterside Campus Development Company PLC

Registered office: Vice Chancellor's Office, University of Northampton, University Drive, Northampton, NN1 5PH.

This company was set up in 2014 to hold the University's £231.5m Public Bond, issued to partially finance the Waterside Campus and continues to act in that capacity servicing the bondholders.

The company is registered in England and Wales and operating in the UK and is a 100% subsidiary of The University. The company was set up to issue a bond on behalf of The University and its main activity is to service the bond repayments.

15.0 Stock

| | Consolidated | Consolidated | University | University |
|--------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| IT Equipment | 1,870 | 1,157 | 1,870 | 1,157 |
| | 1,870 | 1,157 | 1,870 | 1,157 |

Stock at the year-end related to laptops that were purchased as part of the students' benefits package and will be distributed to students at the start of the new academic year.

16.0 Trade and Other Receivables

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Amounts falling due within one year: | £000 | £000 | £000 | £000 |
| Trade debtors | 16,965 | 17,197 | 16,836 | 17,108 |
| Prepayments and accrued income | 8,895 | 6,887 | 8,795 | 6,801 |
| | 25,860 | 24,084 | 25,631 | 23,909 |

During the year £583k of Trade Debtors were written off (2021/22: £644k). The provision for doubtful debts as at the 31 July 2022 was £7,377k (2021/22: £5,284k).

Included within accrued income is £100k in relation to a loan granted to Uno Buses. The initial loan was for £275k and was granted in July 2017 with an interest rate of 1% above base rate. The element of this that is due in greater than one year is £75k (2021/22: £100k).

17.0 Current Investments

| | Consolidated | Consolidated | University | University |
|---------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Short term deposits | 65,950 | 44,343 | 65,950 | 44,343 |

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

18.0 Creditors: Amounts falling due within one year

| | Consolidated | Consolidated | University | University |
|---|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| PWLB loan | 1,702 | 1,671 | 1,702 | 1,671 |
| CISCO Lease | - | 414 | - | 414 |
| Institute for Creative Leather Technologies (ICLT) (Building) Lease | 123 | 118 | 123 | 118 |
| ICLT (Land) | 10 | 10 | 10 | 10 |
| Trade Creditors | 17,336 | 13,908 | 17,092 | 13,742 |
| Amounts due to group undertakings | - | - | 3,093 | 2,703 |
| Social security and other taxation | 3,921 | 3,324 | 3,721 | 3,165 |
| Accruals and deferred income | 43,424 | 36,964 | 41,647 | 35,286 |
| Scholarships relating to deferred income | (2,811) | (3,225) | (2,811) | (3,225) |
| | 63,705 | 53,184 | 64,577 | 53,884 |

19.0 Deferred Income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

| | Consolidated | Consolidated | University | University |
|-------------------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Tuition fee income | 21,975 | 26,773 | 21,975 | 26,773 |
| Research grants received on account | 143 | 167 | 143 | 167 |
| Capital grant income | 295 | 373 | 295 | 373 |
| Other grant income | 95 | 333 | 95 | 333 |
| Other income | 193 | 243 | 167 | 198 |
| | 22,701 | 27,889 | 22,675 | 27,844 |

20.0 Creditors: Amount falling due after more than one year

| | Consolidated | Consolidated | University | University |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Bond | 230,705 | 230,678 | - | - |
| PWLB loan | 28,341 | 30,043 | 28,341 | 30,043 |
| ICLT (Building) Lease | 3,755 | 3,879 | 3,755 | 3,879 |
| ICLT (Land) | 181 | 200 | 181 | 200 |
| Amounts due to subsidiary undertakings | - | - | 230,705 | 230,678 |
| Deferred income | 2,579 | 2,736 | 2,579 | 2,736 |
| | 265,561 | 267,536 | 265,561 | 267,536 |

On the 26 November 2014 a secured fixed rate public bond was issued for the sum of £231.5m over a 40-year term with a coupon rate of 3.302%, this is a fixed rate for the term. The Bond is secured against the assets of the University. The Bond was issued via a 100% owned subsidiary of The University, Waterside Campus Development Company plc. Capital repayments commence in 2024/25. The bond transaction costs of £1.06m will be amortised over the life of the bond

and charged to interest costs. The market value of the bond at 31 July 2023 was £179.2m (2022: £235.5m), and it is listed on the Irish Stock Exchange.

On the 10 March 2016, The University drew down £60m Public Works Loan Board (PWLB) in three tranches, via the County and Borough Councils. £31.5m was loaned over 40 years at a rate of 2.92%, capital and interest repayments payable from commencement of the loan. £28.5m was loaned over 5 years at a rate of 1.38%, interest is payable from commencement of the loan. The capital is due in full by the end of the loan period. A further £8m was drawn down over 7 years in December 2017 at a rate of 1.22% to finance the construction of an energy centre for the new Waterside Campus.

The Bond and County & Borough Council PWLB loans have been guaranteed by Her Majesty's Treasury under an agreement with certain financial covenants, including calculation of historical and prospective Debt Service Cover Ratios (DSCR's). Under these covenants, the University is required to generate cash surpluses in excess of 1.5x of the annual cost of servicing the debt. Falling below 1.25x would trigger sanctions that would restrict the University's future operations.

On 24 January 2020 the University repaid £20m capital against the PWLB loan to Northampton Borough Council and the final £8.5m was repaid in March 2022.

Financial Instruments

Information regarding the group's exposure to and management of credit risk, liquid risk, market risk, cash flow interest rate and foreign exchange risk is included in the Strategic report.

Financial assets measured at fair value through profit and loss are disclosed below.

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Financial assets | | | | |
| Fixed asset listed investments (note 14) | 914 | 916 | 914 | 916 |
| Current assets listed investments (note 17) | 65,950 | 44,343 | 65,950 | 44,343 |

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

| | Consolidated | Consolidated |
|--|---------------------|---------------------|
| | 2023 | 2022 |
| | £000 | £000 |
| Interest (expense) / income | | |
| Total interest income/expense for financial assets at amortised cost | 1,608 | (62) |

Risk Management

The treasury function is controlled centrally via the group which is responsible for managing the credit, liquidity, interest and foreign currency risk associated with the group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy.

The Treasury Management Policy of the group governs all treasury management activities and sets out relevant policy objectives and control measures; it is reviewed by the Board of Governors.

The group's principal financial instruments are bonds, cash, short term deposits and money market investments which are managed by the group and an external investment portfolio manager on behalf of the University. The core objective of these financial instruments is to meet financing needs of the group's operations. Additionally, the group has other financial assets and liabilities arising directly from its operations i.e., trade debtors and creditors.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. The group's Treasury Management Policy and Bad Debt Policy lay out the framework for credit risk management. Credit risk is monitored on an ongoing basis.

The group's credit risk arises from bank balances, investments, student debtors and government and commercial organisations as customers. Management of credit risk is covered by the Treasury Management Policy. As at 31 July 2023, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of the debtors becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the financial regulations. The concentration of risk is limited in commercial creditors due to the student base being large and diverse and because the treasury management policy limits the maximum level of investments for each counterparty to mitigate risk concentration.

Similarly, the group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of the group's banks and money market funds is regularly

monitored. Generally, the group does not require collateral against financial assets.

Liquidity Risk

Liquidity risk refers to the risk that the group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasting is performed by the group at a consolidated level. The rolling forecasts are monitored to ensure the liquidity requirements are sufficient to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach covenants on the borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance, and compliance with internal balance sheet ratio targets.

Interest Rate Risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items or changes in interest income or expenses.

The group's financing as outlined above consists of a 40 year £231.5m bond, a 40 year £31.5m PWLB loan and a further 5-year PWLB loan of £8m. All these loans are fixed rate and therefore not subject to interest rate risk.

The group's interest and investment income is exposed to changes in interest rates. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base

of the investment. There are no outstanding derivative instruments as at 31 July 2023.

Maturity profile of Bond (consolidated) and inter-group balance (University):

| | Consolidated | Consolidated | University | University |
|----------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Due within one year | (26) | (26) | (26) | (26) |
| Between one and two years | 2,261 | (26) | 2,261 | (26) |
| Between two and five years | 14,458 | 11,740 | 14,458 | 11,740 |
| In five years or more | 213,986 | 218,964 | 213,986 | 218,964 |
| | 230,679 | 230,652 | 230,679 | 230,652 |

Maturity profile of PWLB loan / CISCO and ICLT leases:

| | Consolidated | Consolidated | University | University |
|----------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Due within one year | 1,825 | 2,203 | 1,825 | 2,203 |
| Between one and two years | 1,260 | 1,825 | 1,260 | 1,825 |
| Between two and five years | 2,114 | 2,647 | 2,114 | 2,647 |
| In five years or more | 28,722 | 29,450 | 28,722 | 29,450 |
| | 33,921 | 36,125 | 33,921 | 36,125 |

21.0 Provisions

| Consolidated | Obligation to fund deficit on USS Pension | Pension enhancements on early retirement | Defined Benefit Obligations (note 25) | Total pension provisions | Other provisions | Total provisions |
|------------------------|---|--|---------------------------------------|--------------------------|------------------|------------------|
| | £000 | £000 | £000 | £'000 | £'000 | £000 |
| As at 1 August 2022 | 1,071 | 598 | 8,412 | 10,081 | 6,061 | 16,142 |
| Unused amount reversed | (145) | (70) | (8,927) | (9,142) | (6,061) | (15,203) |
| As at 31 July 2023 | 926 | 528 | (515) | 939 | - | 939 |

| University | Obligation to fund deficit on USS Pension | Pension enhancements on early retirement | Defined Benefit Obligations (note 25) | Total pension provisions | Other provisions | Total provisions |
|------------------------|---|--|---------------------------------------|--------------------------|------------------|------------------|
| | £000 | £000 | £000 | £000 | £'000 | £000 |
| As at 1 August 2022 | 1,071 | 598 | 9,118 | 10,787 | 6,061 | 16,848 |
| Unused amount reversed | (145) | (70) | (9,118) | (9,333) | (6,061) | (15,394) |
| As at 31 July 2023 | 926 | 528 | - | 1,454 | - | 1,454 |

Pension Provisions

USS deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance.

Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Pension enhancements on early retirement

The University has provided for future pension costs associated with the granting of additional years of service to certain members of staff taking early retirement.

Other Provisions

A provision for tuition fees was recognised in 2021/22 as a consequence of suspected widespread academic misconduct of students enrolled at a partner institution. The provision of £6.061m recognised was based on students enrolled at the partner institution during 2021/22. The provision has been reclassified as creditor during 2022/23 as a repayment schedule has been agreed and all funds will be repaid by the end of 2023.

22.0 Cash and Cash Equivalents

| | At 01 August 2022 | Cash Flows | At 31 July 2023 |
|--------------|------------------------------|-------------------|----------------------------|
| | £000 | £000 | £000 |
| Consolidated | 14,720 | (7,567) | 7,153 |
| University | 13,636 | (7,253) | 6,383 |

23.0 Lease Obligations

Operating Leases

Minimum lease payments under non-cancellable operating lease commitments in respect of equipment on leases expiring:

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Within one year | 738 | 632 | 672 | 623 |
| Later than one year and not later than five years | 508 | 775 | 443 | 775 |
| Total lease payments due | 1,246 | 1,407 | 1,115 | 1,398 |

A CISCO lease for a 60-month period for the provision of IT software at the Waterside Campus was started in 2019/20.

Finance Leases

Minimum lease payments under non-cancellable finance lease commitments:

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Within one year | 334 | 748 | 334 | 748 |
| Later than one year and not later than five years | 1,337 | 1,337 | 1,337 | 1,337 |
| Over five years | 5,347 | 5,681 | 5,347 | 5,681 |
| Total lease payments due | 7,018 | 7,766 | 7,018 | 7,766 |

The finance lease disclosure refers a lease for the ICLT facility the University entered into in 2018/19

24.0 Capital Commitments

| | Consolidated | Consolidated | University | University |
|-----------------------------------|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Commitments contracted at 31 July | 1,496 | 982 | 1,496 | 982 |
| | 1,496 | 982 | 1,496 | 982 |

25.0 Pension Schemes

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS), the Local Government Pension Scheme (LGPS) administered by Northamptonshire County Council, and the Universities Superannuation Scheme (USS). All are defined benefit schemes. The total pension cost for the year was £12,996k (Note 9) (2021/22: £18,103k).

Teachers' Pension Scheme (TPS)

The TPS is an unfunded, defined benefit scheme with contributions on a pay as you go basis credited to the Exchequer. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

The pension cost is assessed every five years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

| | |
|-----------------------------------|------------------------------|
| Latest actuarial valuations | 31 March 2016 |
| Actuarial method | Projected Unit Credit Method |
| Real discount rate | 2.4% |
| Pensions increases | 2.4% |
| Rate of earnings growth above CPI | 2.4% |

| | |
|--|--------------|
| Notional value of assets at date of last valuation | £196 billion |
| Shortfall at 31.03.16 | £ 22 billion |

During the year the employer's contribution rate was 23.68% (rising to 28.68% in April 2024) of pensionable pay. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions. The employees' contribution rate to the scheme was in a range of 7.4% to 11.7% (2021/22: 7.4% to 11.7%) depending on salary level.

The value of employer's pension payments made in year to the Teachers' Pension Scheme was £6,895k (2021/22: £6,005k).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme and 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 University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated and University Statement of Comprehensive

Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated and University Statement of Comprehensive Income.

In 2023, the total cost charged to the Consolidated and University Statement of Comprehensive Income is £207k (2021/22: £254k). Deficit recovery contributions due within one year for the University are £68k (2021/22: £62k). The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method. Since the University cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to 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 updated analysis of the Scheme's experience carried out as part of the 2020 actuarial valuation.

The mortality assumptions used in these figures are as follows:

| | |
|----------------------------------|---|
| Mortality base 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% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females. |

The current life expectancies on retirement at age 65 are:

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

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

| | 2023 | 2022 |
|-----------------|-------------|-------------|
| Discount rate | 5.05% | 3.06% |
| Price Inflation | 4.50% | 4.50% |

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds. The total contribution made for the year ended 31 July 2022 was £6,660k (2021/22: £6,153k) of which employer's contributions totalled £5,306 (2021/22: £4,892k) and employees' contributions totalled £1,354k (2021/22: £1,261k). As per the Actuarial report, the estimated Employer's contributions for the year ended 31 July 2023 will be approximately £5,250k (2021/22: £5,539k). As at the 31 July 2023 amounts due were £nil (2021/22: £nil).

The contribution rate for 2022/23 was 22.1%, rising to 25% in April 23, along with a monetary amount of £884k. For 2023/24 the contribution rate is 25% along with a monetary amount of £328k.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2019, updated to 31 July 2023 by a qualified, independent Actuary.

| | 31 July 2023 | 31 July 2022 |
|-------------------------------|---------------------|---------------------|
| | % | % |
| CPI Inflation | 3.0 | 2.7 |
| Rate of increase in salaries | 3.5 | 3.2 |
| Rate of increase in pensions | 3.0 | 2.7 |
| Discount rate for liabilities | 5.05 | 3.5 |

The assumed life expectations on retirement are:

| | 2023 | 2022 |
|-------------------------------------|-------------|-------------|
| Current Pensioners | | |
| Males | 20.8 | 21.7 |
| Females | 24.2 | 24.0 |
| Future Pensioners (aged 45 in 2019) | | |
| Males | 22.2 | 22.7 |
| Females | 25.4 | 25.8 |

The University and Consolidated share of assets in the scheme and the expected rates of return were:

| | Share of total fund assets 31 July 2023 | Value at 31 July 2023 | Value at 31 July 2023 | Share of total fund assets at 31 July 2022 | Value at 31 July 2022 | Value at 31 July 2022 |
|-------------------------------------|--|------------------------------|------------------------------|---|------------------------------|------------------------------|
| | Combined | Consolidated | University | Combined | Consolidated | University |
| | % | £000 | £000 | % | £000 | £000 |
| Equities | 62% | 82,296 | 77,790 | 69% | 88,722 | 83,552 |
| Bonds | 24% | 31,856 | 30,112 | 16% | 20,573 | 19,374 |
| Property | 13% | 17,255 | 16,311 | 14% | 18,002 | 16,953 |
| Cash | 1% | 1,327 | 1,255 | 1% | 1,286 | 1,211 |
| Total market value of assets | | 132,734 | 125,468 | | 128,583 | 121,090 |

| | Consolidated | Consolidated | University | University |
|---|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Estimated asset share | 132,734 | 128,583 | 125,468 | 121,090 |
| Asset Valuation restricted | (14,659) | (1,339) | (12,591) | - |
| Present value of scheme liabilities | (117,560) | (135,656) | (112,877) | (130,208) |
| Surplus/(deficit) in the scheme | 515 | (8,412) | - | (9,118) |
| Analysis of net loss on pension scheme | | | | |
| Expected return on pension scheme assets | 4,565 | 2,089 | 4,305 | 1,965 |
| Interest on pension scheme liabilities | (4,817) | (3,339) | (4,626) | (3,217) |
| Net loss | (252) | (1,250) | (321) | (1,252) |
| Amounts recognised in the statement of comprehensive income | | | | |
| Actual return less expected return on pension scheme assets | (4,045) | (5,772) | (3,693) | (5,437) |
| Pension surplus not recognised in year | (13,320) | (1,339) | (12,591) | - |
| Change in financial and demographic assumptions underlying the scheme liabilities | 27,057 | 81,344 | 26,102 | 78,987 |
| Actuarial gain recognised in Statement of Comprehensive Income | 9,692 | 74,233 | 9,818 | 73,550 |
| Movement in deficit during year | | | | |
| Deficit in scheme at beginning of year | (7,073) | (75,097) | (9,118) | (75,313) |
| Movement in year: | | | | |
| Current service charge | (5,819) | (11,190) | (5,685) | (10,995) |
| Contributions | 5,306 | 4,892 | 5,306 | 4,892 |
| Net interest / return on assets | (252) | (1,250) | (321) | (1,252) |
| Actuarial gain/(loss) | 23,012 | 75,572 | 22,409 | 73,550 |
| Pension surplus not recognised | (14,659) | (1,339) | (12,591) | - |
| Surplus/(deficit) in scheme at end of year | 515 | (8,412) | - | (9,118) |

| | Consolidated | Consolidated | University | University |
|--|---------------------|---------------------|-------------------|-------------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £000 | £000 | £000 | £000 |
| Analysis of the movement in the present value of the scheme liabilities | | | | |
| At the beginning of the year | (135,656) | (204,152) | (130,208) | (196,523) |
| Current service charge | (5,798) | (11,110) | (5,664) | (10,915) |
| Past service charge | (21) | (80) | (21) | (80) |
| Interest cost | (4,817) | (3,339) | (4,626) | (3,217) |
| Contributions by scheme participants | (1,354) | (1,261) | (1,326) | (1,236) |
| Actuarial gain/(loss) | 27,057 | 81,344 | 26,102 | 78,987 |
| Benefits paid | 3,029 | 2,942 | 2,866 | 2,776 |
| At the end of the year | (117,560) | (135,656) | (112,877) | (130,208) |
| Analysis of the movement in the market value of the scheme assets | | | | |
| At the beginning of the year | 128,583 | 129,055 | 121,090 | 121,210 |
| Expected rate of return on scheme assets | 4,565 | 2,089 | 4,305 | 1,965 |
| Actuarial (loss)/gain | (4,045) | (5,772) | (3,693) | (5,437) |
| Contribution by the employer | 5,306 | 4,892 | 5,306 | 4,892 |
| Contributions by scheme participants | 1,354 | 1,261 | 1,326 | 1,236 |
| Benefits paid | 3,029 | (2,942) | (2,866) | (2,776) |
| At the end of the year | 132,734 | 128,583 | 125,468 | 121,090 |

| | Consolidated | Consolidated |
|---|---------------------|---------------------|
| | 2023 | 2022 |
| | £000 | £000 |
| History of experience gains or losses | | |
| Difference between the expected and actual return on assets: | | |
| Amount | 4,045 | 5,772 |
| Experience (losses) and gains on scheme liabilities: | | |
| Amount | (27,057) | (81,344) |
| Pension surplus not recognised in year | | |
| Amount | 13,320 | 1,339 |
| Total amounts recognised in Statement of Comprehensive Income | | |
| Amount | (9,692) | (74,233) |

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income is £51,969k (2021/22: £42,277k).

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

| | Approximate % increase to Defined Benefit Obligation | Approximate monetary amount (University only) |
|---|---|--|
| Changes in assumptions at 31 July 2023 | % | £000 |
| 0.1% decrease in Real Discount Rate | 2 | 2,391 |
| 1 year increase in member life expectancy | 4 | 4,515 |
| 0.1% increase in the Salary Increase Rate | - | 22 |
| 0.1% increase in the Pension Increase Rate | 2 | 2,191 |

26.0 Related Party Transactions

The University has taken advantage of the exemption permitted by FRS 102 not to disclose transactions with other group companies which have been eliminated on consolidation, and government departments and their sponsored bodies. Due to the nature of the University operations and the compositions of the Board of Governors, being drawn from local public and private 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 Board of Governors may have an interest, are conducted and in accordance with the University's Financial Regulations and usual procurement procedures.

2023

| Party Associated | Related Party | Relationship to Party | Opening balance | Transactions in year | Closing balance |
|---------------------------------|--|------------------------------|------------------------|--|------------------------|
| Moulton College | Professor Shan Wareing | Board Member | None | Income - £199,944 Expenditure - £168,900 | £119,878 debtor |
| Nene Rivers Trust | John Sinclair | Board of Trustees | None | Expenditure - £351,931 | None |
| Northampton College | Professor Anne-Marie Kilday and Rebecca Bradshaw | Trustee and Governor | £8,944 creditor | Expenditure - £1,577 | £8,944 creditor |
| Northampton School for Girls | Roland Gray | Deputy chair of Governors | None | Income - £2,040 Expenditure - £5,158 | None |
| Northampton County Cricket Club | Shivani Kaushike | Non-Executive Director | None | Expenditure - £1,508 | None |
| Northampton Students Union | Ajmal Fajar and Bhavya Mohan | Board Members | £21,996 creditor | Income - £46,370 Expenditure - £1,454,963 | None |
| The Open University Council | Susan Dutton | Member | None | Income - £1,859 Expenditure - £3,499 | None |

2022

| Party Associated | Related Party | Relationship to Party | Opening balance | Transactions in year | Closing balance |
|-------------------------------------|---|------------------------------|------------------------|---|------------------------|
| Starcrest Education | Professor Nick Petford | Director | None | Income - £20,000 | None |
| Uno Buses (Northampton) Ltd | Terry Neville | Director | £14,959 debtor | Income - £52,995 Expenditure - £1,338,789 | £6,546 debtor |
| Advance HE | Professor Nick Petford | Director | None | Expenditure - £4,335 | None |
| Northampton College | Becky Bradshaw | Governor | £8,944 creditor | Income - £1,500 Expenditure - £460 | None |
| Kingsthorpe College | Deborah Mattock | Governor | £2,600 creditor | Expenditure - £1,058 | None |
| Northampton Town FC Community Trust | Deborah Mattock | Trustee | £96 debtor | Income - £4,720 Expenditure - £18,990 | £5,760 debtor |
| Chiswick College London | Professor Hastings McKenzie | Director | None | Expenditure - £6,367,013 | None |
| Northampton Students Union | Beth Garrett, Nikhil Paul, Zoe Boyer & Wray Irwin | Board Members | £2,624 debtor | Income - £115,456 Expenditure - £1,344,141 | £21,996 creditor |

27.0 Endowment Assets / Funds – Consolidation & University

2023

| | Restricted Permanent | Unrestricted Permanent | Subtotal Permanent | Restricted Expendable | Grand Total |
|--|---------------------------------|-----------------------------------|-------------------------------|----------------------------------|------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Capital At 01 August 2022 | 725 | 191 | 916 | - | 916 |
| Reclassification of funds | - | (126) | (126) | 126 | - |
| (Decrease) in market value | - | (2) | (2) | - | (2) |
| At 31 July 2023 | 725 | 63 | 788 | 126 | 914 |
| Accumulated income At 01 August 2022 | - | 69 | 69 | 112 | 181 |
| Investment income | - | 2 | 2 | 104 | 106 |
| Expenditure | - | (14) | (14) | (151) | (165) |
| Net income (utilised) in current year | - | (12) | (12) | (47) | (59) |
| At 31 July 2023 | - | 57 | 57 | 65 | 122 |
| Total funds | | | | | |
| At 1 August 2022 | 725 | 260 | 985 | 112 | 1,097 |
| At 31 July 2023 | 725 | 120 | 845 | 191 | 1,036 |
| Analysis by asset | | | | | |
| Investments | | | | | 914 |
| Cash | | | | | 122 |
| | | | | | 1,036 |

2022

| | Restricted Permanent | Unrestricted Permanent | Subtotal Permanent | Restricted Expendable | Grand Total |
|---|---------------------------------|-----------------------------------|-------------------------------|----------------------------------|------------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Capital At 01 August 2021 | 725 | 242 | 967 | - | 967 |
| Reclassification of funds | - | - | - | - | - |
| (Decrease) in market value | - | (51) | (51) | - | (51) |
| At 31 July 2022 | 725 | 191 | 916 | - | 916 |
| Accumulated income At 01 August 2021 | - | 86 | 86 | 179 | 265 |
| Investment income | - | - | - | 58 | 58 |
| Expenditure | - | (17) | (17) | (125) | (142) |
| Net income (utilised) in current year | - | (17) | (17) | (67) | (84) |
| At 31 July 2022 | - | 69 | 69 | 112 | 181 |
| Total funds | | | | | |
| At 1 August 2021 | 725 | 328 | 1,053 | 179 | 1,232 |
| At 31 July 2022 | 725 | 260 | 985 | 112 | 1,097 |
| Analysis by asset | | | | | |
| Investments | | | | | 916 |
| Cash | | | | | 181 |
| | | | | | 1,097 |

The major permanent endowment assets are held in an investment portfolio and are managed by a third-party fund manager, in line with the University treasury policy, to earn suitable returns for future disbursements. The remainder of assets are held in a cash deposit account.

In the absence of historical documents relating to the original endowments the university is undertaking a review of the entire endowment portfolio which may lead to a future adjustment of this note. At the point of signing this review had begun but was not complete.

28.0 Contingent Liabilities

In February 2023 a legal claim was brought against the University by a former franchised provider of higher education services. The claimant alleges that its agreement with the University for the provision of higher education courses was unlawfully terminated and that it is owed money for services it provided. The stated value of the claim is £9.83m. The University disputes the claim, denies the liability and has made a substantial crossclaim against the claimant. The prospective outcome of the claim and crossclaim is uncertain.

29.0 Post Balance Sheet Events

There are no significant post balance sheet events to report at the time of signing.

30.0 Access and Participation

| | 2023 | 2022 |
|-------------------------------|--------------|--------------|
| | £000 | £000 |
| Access investment | 3,091 | 2,421 |
| Financial support | 2,981 | 2,980 |
| Support for disabled students | 1,308 | 1,070 |
| Research and evaluation | 92 | 102 |
| | 7,472 | 6,573 |

These figures include £4,095k (£3,063k in 2021/22) of staff costs already included in the overall staff costs for the University. The University's Access & Participation Plan for 2022/23 can be found at:

<https://www.northampton.ac.uk/about-us/governance-and-management/management/equality-and-diversity/access-and-participation-plans/>

31.0 Consolidated Reconciliation of Net Debt

| | At 01 August 2022 | Cash Flows | Other non- cash changes | At 31 July 2023 |
|--|----------------------|----------------|----------------------------|--------------------|
| | £000 | £000 | £000 | £000 |
| Cash and cash equivalents (note 22) | 14,720 | (7,567) | - | 7,153 |
| Borrowings due within one year (note 18) | | | | |
| Secured loans | - | - | - | - |
| Unsecured loans | (1,671) | 1,671 | (1,702) | (1,702) |
| Obligations under finance leases | (532) | 532 | (123) | (123) |
| | (2,203) | 2,203 | (1,825) | (1,825) |
| Borrowings after more than one year (note 20) | | | | |
| Secured loans | (230,678) | - | (27) | (230,705) |
| Unsecured loans | (30,043) | - | 1,702 | (28,341) |
| Obligations under finance leases | (3,879) | - | 124 | (3,755) |
| | (264,600) | - | 1,799 | (262,801) |
| Movement in net debt | (252,083) | (5,364) | (26) | (257,473) |

32.0 Prior Period Adjustment

As detailed in Note 13 above, as the sale of Icon Building has progressed, the Group have reflected on its assessment of the investment property's fair value. The Group has concluded that the fair value as at 31 July 2022 was better represented by the agreed sale price of £250k, rather than the independent, external valuation of £1,950k. The sale price was treated as the fair value in the Icon East Midlands statutory accounts for the year ended 31 July 2022, but the valuation was treated as the fair value in the Group statutory accounts for the same year. In light of the above, a prior period adjustment has been made in these Group accounts to reduce the fair value of the Icon Building to £250k, in line with the assessment reflected in the Icon East Midlands accounts, a reduction of £1,700k. A summary of the impact that this restatement has had on the Group's primary statements is detailed in the tables below.

Consolidated Statement of Comprehensive Income

| | Note | Consolidated | Consolidated |
|---|------|-----------------|-----------------|
| | | 21/22 | 21/22 |
| | | Original | Restated |
| Surplus/(Deficit) before other gains / (losses) and share of operating (loss) of joint ventures and associates | | (17,797) | (17,797) |
| (Loss) on disposal of fixed assets | 12 | - | - |
| Profit/(Loss) on revaluation of fixed assets | | (3,563) | (3,563) |
| Gain / (Loss) on investment | | 13 | (1,687) |
| Share of operating profit/(loss) in joint venture | 14 | (73) | (73) |
| Share of operating profit in associate | 14 | 112 | 112 |
| Non-controlling interest | | 2 | 2 |
| Surplus/(Deficit) before taxation | | (21,306) | (23,006) |
| Taxation | | (2) | (2) |
| Surplus/(Deficit) for the year | | (21,308) | (23,008) |
| Actuarial Gains in respect of pension scheme | 25 | 74,233 | 74,233 |
| Total Comprehensive income for the year | | 52,925 | 51,225 |

Consolidated Balance Sheet

| | Note | Consolidated | Consolidated |
|---------------------------------------|------|---------------|---------------|
| | | 21/22 | 21/22 |
| | | Original | Restated |
| | | £000 | £000 |
| Non-current assets | | | |
| Tangible fixed assets | 12 | 307,453 | 307,453 |
| Investment property | 13 | 3,900 | 2,200 |
| Investments | 14 | 1,376 | 1,376 |
| | | 312,729 | 311,029 |
| | | | |
| Net current assets | | 31,120 | 31,120 |
| Total assets less current liabilities | | 343,849 | 342,149 |
| | | | |
| Total Net Assets | | 60,171 | 58,471 |
| | | | |
| Restricted Reserves | | | |
| Endowment reserve | 27 | 1,097 | 1,097 |
| Unrestricted Reserves | | | |
| Income and expenditure reserve | | 58,996 | 57,296 |
| | | 60,093 | 58,393 |
| Non-controlling interest | | 78 | 78 |
| Total Reserves | | 60,171 | 58,471 |