

**Norwich University of the Arts**

**Report and Consolidated Financial Statements**

**Year ended 31 July 2024**

# Norwich University of the Arts

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## **Annual Report - Strategic Review**

Year to 31 July 2024

### **Status and Context**

Norwich University of the Arts is a specialist arts university providing a range of creative arts courses at both undergraduate and postgraduate level from its city centre campus in the heart of Norwich.

The University is an independent specialist institution, sharing this status with a number of other Higher Education institutions in England and Scotland that specialise in creative arts subjects.

### **Our Vision (from the University's Strategy 2022-27)**

Ambitious and committed to the extraordinary creativity of our staff and students, over the next five years Norwich University of the Arts will become the place where the debate about the changing social, political, and economic purpose and future of creativity and creative arts education is most passionately engaged. This debate is important because the world is changing fast and facing many critical challenges, with creative practitioners playing an essential role in understanding and interpreting what is happening, and imagining and producing new and better ways of living now and in the future. The debate needs to take a number of critical and creative forms, and inform all that we do; from running the University, to developing our portfolio of courses, the work produced by our staff and our students, and the opportunities we enable for our graduates.

### **Our Mission (from the University's Strategy 2022-27)**

In support of this debate, we will create a culture that supports all our staff in their intellectual, creative and personal growth, mindful that their health and wellbeing is at the core of our project and the delivery of our ambitions.

Students will continue to join an authentic and human-scale creative community, which recognises and celebrates the knowledge and experience they choose to share and bring to their learning and creative practice.

Our community will be caring, challenging and radical, recognising the importance of innovation and risk, and the possibility of failure as a pre-condition for the creation of new work, ideas, ambitions, and futures.

We value hard work, making things, engaging with established and emerging technologies, mutual respect, and having fun.

Our collective experience and commitment will inculcate graduates with a sense of confidence in their education, skills, critical creativity, and their futures as reflective professionals and practitioners in any field.

Students will choose to join the University because they recognise all of this about us, and trust that we will enable them to achieve in their personal and working lives what they can't yet fully imagine.

All of this can only happen in Norwich; its radical history, its inspiring culture and institutions, its enterprising spirit, and its beauty are not the backdrop but the very material of our model of creative education – we must engage with all the city has to offer because learning is experiential and can happen in unexpected ways.

We will make a difference to the future of Norwich and the wider region, working with civil society and industry partners on ambitious development projects, recognising the links between global challenges and local experiences.

At the core of our mission is a belief that diversity in all its forms - national, cultural, socio-economic, political, sexual, physical, neurological, and experiential - is the very heart of creative endeavour, enabling us to debate with one another, see the world differently, and create new possibilities for a more equal and sustainable future.

**Finance Strategy**

The Finance Strategy sets out the financial aims and objectives required to support the achievement of the overall University strategy, taking into account the current financial position and the fundamental changes occurring in the sector.

**The four overarching aims are:**

- 1. To ensure continued financial sustainability, while investing at sufficient levels to support the University’s Operational Plan for 2022-27.
- 2. To maintain effective and appropriate governance and internal controls
- 3. To ensure that the University’s financial resources and assets are effectively managed
- 4. To operate in a cost-efficient way, ensuring that we consider value for money and environmental sustainability.

**Progress and future outlook**

Progress towards achieving our Finance Strategy aims is monitored against milestones, and we report on progress against these milestones to the Governing Body on a regular basis. Overall, our primary focus will be to ensure continued financial sustainability while investing at sufficient levels to support the key objectives in the University’s Strategy and Operational Plan for the period 2022-27.

**Review of Performance 2023/24**

We have achieved a surplus of £5,250k for the year, slightly above the surplus achieved in 2022/23 of £5,231k.

The table below is a summary of the Consolidated Statement of Comprehensive income (page 25),

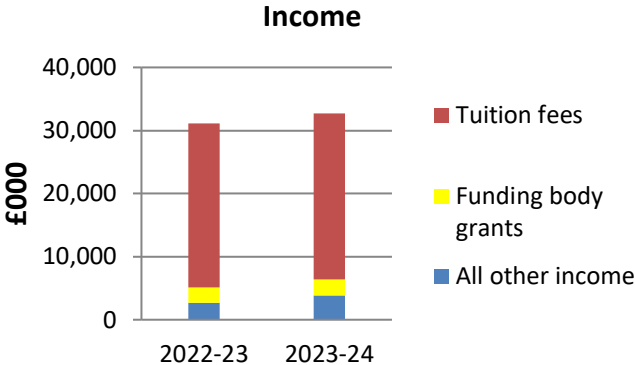
	<b>2024</b>	<b>2023</b>
	<b>£’000</b>	<b>£’000</b>
Income	32,758	31,140
Expenditure	(28,989)	(25,575)
<b>Surplus before actuarial adjustment and gains and losses</b>	<b>3,769</b>	<b>5,565</b>
LGPS actuarial adjustment	474	(329)
Other gains / losses	1,007	(5)
<b>Surplus for the year</b>	<b>5,250</b>	<b>5,231</b>

In the above, as well as showing the underlying ‘Surplus for the year’ we have also shown the surplus that we achieved before the impact of two large *non-cash* adjustments, namely the actuarial pension adjustment (in

relation to our Local Government Pension Scheme (LGPS)) and the unrealised gain in the market value of our investments. These two adjustments are largely beyond our control, do not affect our cash position and tend to be volatile year-on-year, so, internally, we tend to focus on our surplus before these two adjustments when judging what is required to safeguard our financial sustainability.

**Income**

The principal income categories over the past two years are summarised below:



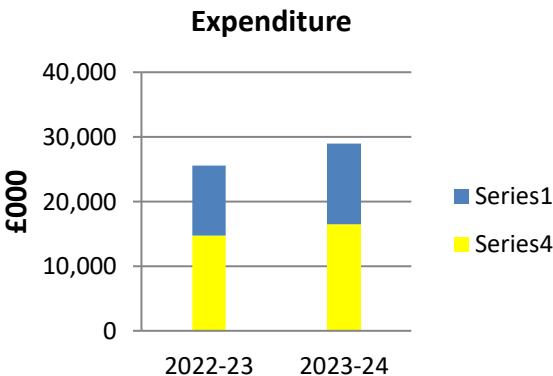
Income rose by £1.6m in 2023/24 (5%).

This was most notably due to an increase in ‘All other income’, which was because we achieved much better returns on our cash, which was possible because of higher interest rates and our more proactive approach to moving excess cash in our current account to high-yield fixed term deposits and/or our investment manager’s liquidity fund.

We did also see a small increase in our tuition fee income despite having 16 fewer student FTEs at enrolment (compared to the previous year), because we had more international students than in the previous year (who pay a higher fee) and we increased our fee rates for both International and Home Postgraduate new entrants in 2023/24.

**Expenditure**

The movements within expenditure over the past two years are summarised below:



Expenditure rose by £3.4m in 2023/24 (13%).

Staff costs increased by £1.8m. This included higher staff costs due to a larger total headcount, an average pay award of 6%, incremental grade point rises and uplifts in both our LGPS and TPS employers' pension contribution rates.

Non-staff costs increased by £1.6m. This included higher utility charges, a larger grant paid to support the Students' Union, a more generous international students scholarship package and set-up costs for our new Immersive Visualisation and Simulation Lab.

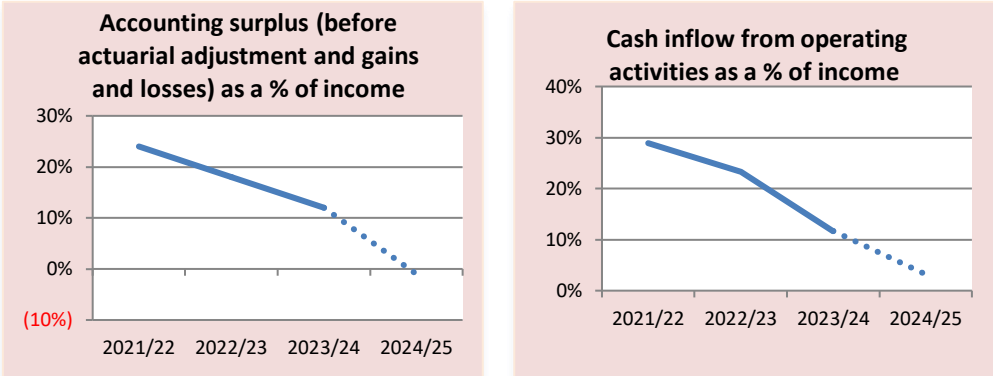
**Other adjustments**

In 2023/24 our FRS102 actuarial pension adjustment was a credit of £0.5m, compared to a charge of £0.3m in 2022/23. The market value of our investment fund as at 31<sup>st</sup> July 2024 was £1.0m higher than as at 31 July 2023 - in the year ending 31 July 2023 there was no movement in the market value of the fund.

**Net assets as at 31 July 2024**

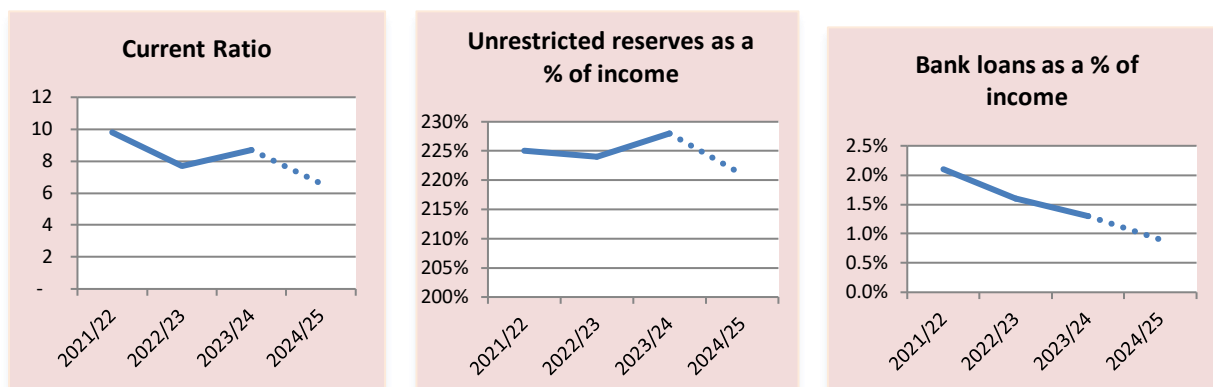
Our net assets increased by £4.8m from £73.1m at 31 July 2023 to £77.9m at 31 July 2024. This reflected a surplus (before adjustments) of £3.8m (as described above), and an unrealised gain on the market value of our investments of £1.0m.

**Key Performance Indicators**



The *accounting* surplus (before actuarial adjustment and gains in income) as a percentage of income we achieved in 2023/24 of 12% was less than the percentage achieved in 2022/23 of 20%, for the reasons explained above. We have set a budget for 2024/25 which has a forecast student FTE and a Home undergraduate fee cap at the same levels as in 2023/24, meaning that income is broadly flat, while expenditure is modelled to rise as a result of inflationary pressures and some up-front investment in new teaching and research activities, from which we expect to generate additional income streams in later years. This new investment includes set-up costs on our new courses at undergraduate and postgraduate level which will start in September 2025. Our forecasts for later years show a return to surpluses, once these additional income streams have been established. The average sector surplus in 2022/23 was 3% (after actuarial adjustments and gains and losses).

Our *cash* surplus percentage (i.e. cash inflow from operating activities as a percentage of income) was 12% in 2023/24, which was below the percentage achieved in 2022/23 of 23%. Our modelled cash inflow for 2024/25 of 3% reflects the rise in expenditure as mentioned above, although we still expect our cash operating surplus to be higher than our accounting surplus because of depreciation, which reduces our accounting surplus but does not impact on our cash operating surplus. The 2022/23 sector average was 7%.



Our strong Current ratio reflects the high cash levels accumulated from surpluses generated in recent years, with the modest reduction forecast for 2024/25 of a 6.6 to 1 ratio being due to a lower modelled cash operating surplus and some significant capital expenditure outlays. The sector average in 2022/23 was a ratio of 1.7 to 1.

The level of our Unrestricted Reserves as a percentage of income was 228% as at the year-end date of 31 July 2024, which was marginally above the previous year's figure of 224%. We have forecast a slightly lower level of reserves at the end of 2024/25, based on the modelled accounting deficit above. *The reserves figures used in the graph are before accounting for any LGPS pension deficit.* The sector average for 2022/23 was 124%

Bank loans as a percentage of income remain low. We are repaying the current loan of £1.5m over 20 years (ending in 2028) and are not forecasting a requirement for any further loan financing at present. The sector average for 2022/23 was 30%.

### Non-financial indicators

Type of indicator	Rating / score
Teaching Excellence Framework rating	Gold
Student Continuation rate (OfS data dashboard)	90.4%
Student Completion rate (OfS data dashboard)	92.0%
Student Progression rate (OfS data dashboard)	68.1%

The University was awarded Gold in the Teaching Excellence Framework (TEF) in 2023, and this included Gold ratings in the sub-categories of Student Experience and Student Outcomes. We were the only specialist creative arts and design university to achieve this triple gold TEF rating and among only 15% of 175 higher education institutions overall to be awarded triple gold.

The OfS sets minimum thresholds for student outcomes and publishes results for providers on its web-based 'data dashboard'. These include the proportion of students who continue on their course (called Continuation), the proportion who complete their studies (called Completion) and the proportion who go on to further study or find a professional job within 15 months of leaving (called Progression). The rates that have been published for our University (for first-degree full-time undergraduate students) are given above - our rates comfortably exceed the minimum thresholds of 80%, 75% and 60% respectively.

In the Complete University Guide 2024, we were recognised as being one of the Top Two creative arts universities in the UK, and the 2025 Daily Mail University Guide recently awarded us its inaugural Arts University of the Year. This prestigious recognition highlighted Norwich's unwavering dedication to its students

and excellence in arts education. The award also acknowledged the University as a vital asset to both academia and the broader community, celebrating the University's significant contributions to the cultural and educational landscape. The guide highlighted the University's exceptional success in preparing students for high-skilled careers in the creative industries. Our Profile system, which integrates employability skills with artistic creativity, was particularly praised for its effectiveness in fostering graduates' progression into successful careers.

### **Physical infrastructure and capital developments**

Our Estates Strategy sets out our aim to maintain an attractive, cohesive and financially sustainable environment to support the provision of high quality teaching, learning and research. We deliver this through an integrated approach to capital investment, maintenance and space utilisation. The specialist nature of our creative arts courses require a high level of costly resource, with digital technology, in particular, fast changing and requiring considerable investment to remain at professional, industry standards.

Considerable growth in student numbers in the past few years means that in order to maintain a high-quality student experience we have required more space. Our main capital project over the next three years is a major refurbishment of a Grade II listed building in the heart of our campus, which we purchased in 2022. This refurbishment is being completed in three phases, with the first phase now finished. The building provides the opportunity to create spaces combining teaching, research, exhibition and public access way beyond our existing estate and will become an important centre for both the University and the city.

### **Treasury management**

The University's Treasury Management Policy supports the establishment of appropriate cash resources, investment of surplus funds for best return and the management of investment risk.

Our Consolidated Statement of Financial Position and the related Key Performance Indicators show that we have built up a high level of liquid resources over recent years. We have a strong level of reserves and relatively modest bank borrowing when compared to the rest of the sector. We consider that this level of liquid resources will be required in future to finance capital and strategic projects and to provide some financial security during the realisation of our University strategy and operational plan.

We do not anticipate liquidity issues over the next few years, despite the external threats caused by real-terms cuts to university funding. We do not anticipate the need for any further bank borrowing; nevertheless, our cash flows will continue to be closely monitored. It is the University's policy to pay invoices promptly once they have been appropriately authorised - payment runs are scheduled every fortnight in order to achieve this.

### **Financial Risks**

Our approach to risk management is outlined in the Statement of Corporate Governance. Our most significant risks relating to our long-term financial sustainability have been identified as government policy, student recruitment and inflationary pressures to our cost base:

There is a risk that government policy could result in a further drop in *real* income, irrespective of our ability to attract students to the University. This risk can be most clearly seen in the ongoing UK undergraduate fee cap of £9,250, which has eroded the real terms value of the fee by one-third since 2012. Other policy risks include those which deter international students from studying in the UK and an ongoing reduction (in real terms) in student maintenance loans and the lack of maintenance grants for the poorest students, which risks making university unaffordable for many students. To mitigate against this risk, we will maintain our focus on ensuring



that our course offer continues to be innovative and of high quality, and the new courses being launched in 2025 will build on our current successes.

Secondly, there is a risk that we will fail to meet our recruitment targets for new Home and International students. To mitigate the risk of not meeting our targets, in recent years we have increased the size of our recruitment teams (both Home and International) and created a new portfolio of courses to be launched in 2025. The Senior Leadership Team monitor recruitment data on a weekly basis and make early interventions where necessary. We set financial forecasts on a prudent but realistic basis and run multiple scenarios to ensure that we are cognisant of the financial implications of under-recruitment and have contingency plans in place. Our Operational Plan 2022-27 also includes targets on increasing our research and knowledge exchange grant income and our number of postgraduate research students, which would mean we would become less dependent on teaching income in future.

Thirdly, there is a risk that high inflationary pressures to our cost base will threaten our ability to generate the surpluses needed for re-investment. These cost pressures are particularly relevant to our staffing cost base, with some aspects of this cost, such as the nationally negotiated pay award and changes to employer pension contribution rates, being largely out of our control. We aim to mitigate this through growth in our income streams, at such a level that this additional income will cover inflationary rises to our *existing* cost base as well as allowing for *new* investment to support a larger university. We prepare our financial forecasts on a prudent basis and run multiple scenarios so that we can plan ahead for adverse outcomes. In order to ensure that any new expenditure lines are deployed in a way that optimises our strategic aims, we run an annual bidding process so that any requests for large additional expenditure are scrutinised on a university-wide basis and against what we deem to be affordable at the time, based on the latest student number acceptances data for the following year.

### **Employee and Student Involvement**

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at university, departmental and team level. This includes membership of formal committees as well as regular updates and engagement on key issues and strategies. In the past year we have held a university wide consultation on our People Strategy through an iterative process involving in-person facilitated sessions and an online survey. The Vice-Chancellor's programme of talks and Research and Knowledge exchange activities over the year have offered opportunity for reflection, creative discussion, and debate.

A learning and development framework and plan for the University is being created which will support the delivery of the organisational strategy and plan through key skills and capability development. Programmes of workshops to support continuing professional development are offered alongside a Peer Observation of Professional Practice Scheme.

Academic staff are encouraged to acquire professional recognition for their teaching by attaining fellowship status of the Higher Education Academy (HEA). This is offered through two routes: more experienced staff are supported in their application to become an Associate Fellow, Fellow or Senior Fellow of the HEA, while those staff who are at an earlier stage of their career are encouraged to study for our in-house Postgraduate Certificate in Higher Education: Arts, Design, Architecture and Media, which when completed also provides them with either Associate Fellowship or Fellowship status of the HEA

Student involvement is encouraged via membership of student fora and the Student Representatives structure; there are regular meetings held with members of the Senior Management Team. The Students' Union President is a member of Academic Board and of the Governing Body. Students also play a key role in the University's Sustainability working group. Students have a number of opportunities to be involved in

University Life, including schemes such as the Peer Assisted Learning Mentor Scheme and paid work such as Student and Festival Ambassadors.

### **Health and Safety**

We take the health and safety of our students and staff very seriously. Health and safety risks are mitigated with training and induction for staff and students, risk assessments for all buildings and activities, the provision of guidance on good practice and on-going review at management and senior management levels. There was one incident which required RIDDOR reporting during the year.

### **Equality, Diversity & Inclusion**

The University is committed to embedding equality, diversity and inclusion in all of its practices, and aims to establish an inclusive culture that celebrates diversity and is based on the values of dignity and respect. The University's Equality, Diversity & Inclusion policy sets out our commitment to an inclusive and supportive environment for students, staff and visitors that is free from discrimination, and a place where all its members are able to participate and have the opportunity to fulfil their potential.

The Equality, Diversity and Inclusion (ED&I) objectives and action progress are reviewed annually by the Equality, Diversity and Inclusion Committee. An annual report is produced to consider, monitor and share the University's activities and progress in relation to equality, diversity and inclusion. This report is available on our website at [Equality, diversity, and inclusion | Norwich University of the Arts](#)

### **Sustainability**

One of the aims within the University's strategy is of "identifying, understanding and addressing the climate crisis and global challenges", and one way in which the University will address this is through the establishment of a new research institute called 'Sustainable Worlds'.

The University has a Sustainability Working Group which is open to all staff and students. Staff and students are given lots of opportunities to engage with the activities of the working group through regular email updates and access to the University's dedicated sustainability intranet page. Examples of such opportunities include helping with beach cleans, litter picks, and book swap shops. The dedicated sustainability page on our intranet includes lots of useful resources for students and staff, including a Workshop Materials Hub (a starting point to contact the different University workshops to find free recyclable materials that would otherwise go to waste), a Swap shop (a forum for staff and students to exchange free materials for use in their practice), a directory of sustainable shops and cafes in Norwich, answers to some frequently asked questions on topics such as energy use and recycling at the University, a message board to share ideas, suggestions, and questions, sustainable travel tips and a tool for individuals to check their own carbon footprint.

In terms of how we embed sustainability within our curriculum, all units of study include Learning Outcomes addressing students' understanding and application of sustainable practice, and a minimum of one project brief per unit which explicitly references sustainable challenges and practices to enhance community understanding.

The University has a Responsible Investment Policy which it requires its investment managers to follow. Specifically, this policy commits the University to only invest in entities that exhibit best class standards of behaviour and performance in a broad range of environmental, social and governance (ESG) issues, using the approach developed and deployed by our investment managers. This approach encourages entities to adopt high and improving standards of ESG behaviour which the University believes will generate superior long-term financial returns. Reflecting its ethical values, the University does not invest directly in fossil fuel companies or those whose principal business is involved in tobacco, gambling, adult entertainment, cluster bombs or armaments.

The University will need to consider how and at what rate it can reduce its emissions in future, and will work towards complying with the new voluntary Standardised Carbon Emissions Framework (SCEF) which was established for universities and colleges in 2023 by the Department for Education and The Alliance for Sustainability Leadership in Education. The aim of this framework is to ensure that institutions measure and understand their carbon emissions in a way that is reflective, transparent and consistent across the sector to enable peer-to-peer review.

Further details in relation to sustainability can be found on the University's website at [Sustainability at Norwich - Norwich University of the Arts](#)

## **Annual Report - Public Benefit Statement**

Norwich University of the Arts is a Higher Education Corporation with Exempt Charitable status under the Charities Act 2011. In setting out this Public Benefit Statement and in exercising its powers or duties, the Governing Body has referred to the Charity Commission's guidance on public benefit and particularly to its supplementary public benefit guidance on the advancement of education, through promoting, sustaining and increasing individual and collective knowledge and understanding in the study, skills acquisition and expertise of creative arts subjects.

### **Charitable Objects**

The University is a Higher Education Institution established under Section 121 of the Education Reform Act 1988, with powers to provide higher and further education and to carry out and publish results of research. Under the provisions of this Act, the University is governed by the Norwich University of the Arts Council (the Governing Body) which is responsible for the determination of the educational character and mission of the institution.

The aims and objectives of the University are set out in its Strategy (available on the University's website).

### **Beneficiaries**

The students of the University are the primary beneficiaries and the University is committed to the advancement of their education through the delivery of high quality courses that equip our students with specialist knowledge, skills, attributes and expertise to prepare them for employment in both the creative and non-creative sectors, or as freelance practitioners. Along with students, other beneficiaries include employers and businesses, particularly those within the region and in the creative industries, as well as school children and alumni of the University who are able to attend educational events organised by the University or use its academic facilities; the general public are also able to attend various events at the University such as the exhibitions in our EAST Gallery and our annual end-of-year campus shows called Grad Fest. We also showcase all of our graduate work on a dedicated website, which was updated in 2024 for this year's graduating cohort ([Norwich Graduate Showcase 2024 \(gradfestshowcase.com\)](https://gradfestshowcase.com)). This website will be accessible for twelve months, after which time it will be updated to showcase the next graduating cohort's work.

### **Advancement of Teaching and Research**

The University delivered a range of undergraduate and taught postgraduate courses in creative arts subjects during the year. Employability and business skills acquisition are integrated throughout the curriculum.

The University's Research and Knowledge Exchange Strategy 2022-27 aims to demonstrate how creative approaches can help solve complex global problems in order to bring about long-lasting transformation in our city, region and beyond. It aims to combine our inquiry-led pedagogy with our research practice to connect with the research and practice of other institutions, organisations and disciplines, to develop encounters and projects that will produce new knowledge and make us a partner of choice.

During the year, the University supported postgraduate research degree students. These students undertake a research training programme to develop their generic and subject-based professional skills in areas such as publication, intellectual property and career planning.

## **Fair access**

The University welcomes students from a diverse range of backgrounds and previous educational and professional experiences, with approximately one third of students coming from low income backgrounds, and a similar proportion disclosing to us that they have a disability. We encourage applications from all those who wish to develop their creative practice in the context of the University. Applicants are assessed on their potential to succeed on their chosen course based on their portfolio of work and the completion of an online application. Details of the application process and course requirements are published in our prospectus and can be accessed from the University website.

We aim to ensure that no talented student be prevented from applying to the University, or from completing the course while they are with us. This includes the provision of a bursary package, a financial support fund which provides grants and emergency loans for those students suffering financial hardship, and the co-ordination of a number of widening access and student success activities, to enhance the progression and achievements of under-represented groups in Higher Education. These activities are further described in our Access & Participation plan for the period 2020-25, which sets stretching targets for access, retention, attainment and progression over that five year period; this plan has been approved by the Office for Students, and a copy is available on our website.

The University is a member of the Network for East Anglian Collaborative Outreach (NEACO), working with East Anglia's four other Higher Education Institutions and in close partnership with the region's Further Education Colleges and other stakeholders. NEACO is part of the national Network for Collaborative Outreach Programme (NCOP). Its aim is to help young people from East Anglia with little or no experience of university to find out more about higher education, which it does by working with students in years 7-13 who live in areas identified by the government as having low rates of progression to higher education.

## **Wider Community**

The University continues to support early-stage digital creative enterprise through lectures, seminars and free access to its Alumni programme. The University is lead sponsor of Norwich Games Festival.

The Director of Knowledge Exchange and Employability works alongside economic development teams at Norfolk County and Norwich City Councils to contribute to the growth strategy for Norfolk & Suffolk, particularly representing the interests of the digital creative sector. A collaborative approach to sector-specific skills development has been a chief focus of this work as talent supply remains a key issue for businesses in creative industries. The University's new Immersive Visualisation and Simulation Lab is a focus for work in collaboration with Aviva and the region's 'Business in the Community' group to address skills deficits and create new opportunities in economically deprived areas of our city. The Director of Knowledge Exchange and Employability sits on the New Anglia Innovation Board, New Anglia Cultural Board, Norwich Towns Deal Board, Norwich Creative Compact, the Norfolk Museums Development Foundation and New Anglia Tech Council.

The University has joined the Norwich Good Economy commission pledge to create more, fairer jobs in our city. We have as a result become a Living Wage Foundation employer and are sharing the experience of that process with other organisations in the foundation who would like to become LWF employers themselves.

Furthermore, the University supports industry innovation by offering the chance to work with our community of students and academics to solve design or creative problems. This year, amongst others, we have worked with Virgin Wines, Associated British Foods, and a number of science-based spinouts from Norwich Research Park in focus areas such as nutraceuticals and agritech.

East Gallery is our city centre public art space showcasing a programme of exhibitions by internationally recognised artists, curators, and design practitioners. The East Gallery Fellowship Scheme, introduced in 2023, gives early career practitioners from different backgrounds the chance to establish their careers in the world of Fine Art. Exhibitions are originated by the University or in collaboration with national and international partners. All our exhibitions are accompanied by seminars and lectures delivered by specialists and curators, which enrich the University experience for students and those living and working in Norwich, as well as visitors to our city.

## **Fundraising**

The University keeps in regular contact with its alumni, and will sometimes ask for donations to support the charitable aims of the University. This fundraising activity is undertaken by university staff only, and is not sub-contracted to external fundraising companies. Fundraising staff receive appropriate training and are required to adhere to the highest ethical standards, to ensure that no one is put under undue pressure to donate to the University, or is subject to an unreasonable intrusion of their privacy. The University has not received any complaints about its fundraising activities. Donation income remains at modest levels.

# Annual Report - Statement of Corporate Governance

## Introduction

This Statement of Corporate Governance relates to the year ending 31 July 2024, and the period up to the date of approval of the financial statements. The statement sets out how the University ensures transparency, adequacy and effectiveness in its corporate governance and risk management arrangements. These arrangements contribute to the requirement for the University to satisfy the Office for Students and Research England's ongoing conditions of registration and terms and conditions of funding.

The University is an independent Higher Education Corporation established under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Articles of Government, the current version of which was approved in July 2021.

The University endeavours to conduct its business in accordance with the seven Principles identified by the Nolan Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

The University complies with the Higher Education Code of Governance, as issued by the Committee of University Chairs. This compliance includes full disclosure of the Register of Interests of pecuniary, family or other personal interests of members of the Governing Body.

The University has adopted the Higher Education Audit Committees Code of Practice 2020 and the Higher Education Senior Staff Remuneration Code (issued in 2021 by the Committee of University Chairs).

The University is committed to exhibiting best practice and transparency in all aspects of corporate governance. The University keeps its governance arrangements under regular review, including annual internal audit and periodic external reviews of effectiveness. The most recent external review of effectiveness was completed in February 2022, with the reviewer concluding that they were "confident that there was an effective Council operating".

The following summary is provided to enable readers of the Financial Statements of the Norwich University of the Arts to obtain a better understanding of the governance and legal structure of the institution.

## The Governing Body

The Articles of Government require the University to have a Council (referred to as the Governing Body) and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Governing Body determines the University's educational character and mission.

The principal responsibilities of the Governing Body are set out in its Statement of Primary Responsibilities as follows:

1. To determine the mission, educational character and strategic vision of the institution, the long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution and to establish and keep under regular

- review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
  4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions. To establish processes to monitor and evaluate the performance and effectiveness of the Governing Body itself.
  5. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
  6. To safeguard the good name and values of the institution.
  7. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
  8. To appoint a Clerk to the Governing Body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
  9. To be the employing authority for all staff in the institution with direct responsibility for Strategic Management Group appointments and to be responsible for establishing a human resources strategy upon which the University relies to inform HR practice and procedure.
  10. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
  11. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.
  12. To make such provision as it thinks fit for the general welfare of students, in consultation with the Academic Board.
  13. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
  14. To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

The Governing Body has a majority of independent members, chosen in line with strict criteria contained in the legislation. There is also provision for the appointment of co-opted members, who may be members of staff or of the student body. No members of the Governing Body will receive any remuneration for the work which they do for the Council.

Subject to the overall responsibility of the Governing Body, the Academic Board has oversight of the academic affairs of the University and is composed of staff and students of the institution. It is particularly concerned with the maintenance of academic standards, the planning and management of academic policy and resource planning.

The Vice-Chancellor has a general responsibility to the Governing Body for the organisation, direction and management of the University. Under the terms and conditions of funding between the University and the Office for Students, the Head of the institution (the Vice-Chancellor) is its accountable officer, and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

Although the entire Governing Body typically meets four times each academic year, much of its detailed work is initially handled by sub committees, in particular those described below. The minutes of the meetings of these Committees are formally reported to the Governing Body.



The Finance and Resources Committee meets at least three times a year. It provides the non-executive oversight and monitoring of the strategic management of the University's resources, including finance, estates, financial investments and information technology, ensuring that enabling strategies are aligned with the University's corporate and academic plans. It recommends to the Governing Body the University's annual budgets, and monitors performance in relation to the approved budgets. With regard to the management of financial investments, there is a separate sub-committee that meets at least once a year, called the Investment Committee, which makes investment decisions on behalf of the University and monitors the performance of funds managed by the externally-appointed Investment Manager.

The Audit and Risk Committee meets at least three times a year, with the University's internal auditors and external auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the OfS as they affect the University's business and monitors adherence to the regulatory requirements, ensuring that management controls are effective and sufficient to safeguard public and other funds (ensuring regularity and propriety). Whilst senior executives attend meetings as necessary, they are not members of the Committee. The Committee meets the internal and external auditors on their own for independent discussions.

The Remuneration Committee meets at least once each year. The Committee has authority to approve the remuneration of senior post holders, including pay and other benefits, as well as contractual arrangements. The Vice-Chancellor attends the Committee to present the recommendations for the remuneration of the most senior staff. The Committee considers the remuneration of the Vice-Chancellor in a closed meeting of the independent members with no executive members present. In line with the Committee of University Chairs Remuneration Code, the Council each year receives an Annual Remuneration Report, providing assurance that the Committee has effectively discharged its duties.

The People Committee typically meets three times a year. The purpose of the People Committee is to support the University's strategy by providing a forum to review how the University develops its organisational culture; equality, diversity and inclusion; engagement and the health and wellbeing of both students and staff in line with the University's values.

The Nominations Committee considers nominations for independent and co-opted vacancies in the Governing Body membership in accordance with the Instrument and Articles of Government. The Committee advises the Governing Body on the balance of membership and period of tenure in accordance with the needs of the University. The Committee makes recommendations to the Governing Body on the renewal of membership following the expiry of a term of office and for each variable membership category for the determination of numbers for the forthcoming year.

A significant proportion of the membership of these committees consists of external members of the Governing Body, who are not University employees. The Chair is selected from the external members serving on the committees.

As chief executive, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The members of the Senior Leadership Team contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor. The University maintains a Register of Interests of members of the Governing Body.

## **Internal Control**

The University's Governing Body is responsible for maintaining a sound system of internal control which supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Governing Body in the terms and conditions of funding with the OfS and Research England.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance against material misstatement or loss. No significant internal control weaknesses or failures arose during the financial year and after the year end up to the point at which the financial statements were signed.

## **Risk Management**

The Governing Body is satisfied that there is an ongoing process for identifying, evaluating and managing the University's significant risks, including business, operational, compliance and financial ones. A risk management policy, approved by the Governing Body, has been in place for the year ended 31 July 2024 and up to the date of approval of the annual financial statements. The policy identifies principal risk management responsibilities and establishes a risk management structure through which risks are identified, monitored, managed and mitigated.

This process is regularly reviewed by the Governing Body via the Audit and Risk Committee, and accords with the internal control guidance for directors in the UK Corporate Governance Code as deemed appropriate for higher education. The Governing Body has ensured that its meeting calendar and agenda enable risk management and internal control to be considered on a regular basis during the year. Risk management has been fully incorporated into the corporate planning and decision making processes of the University. The Senior Leadership Team receives regular reports from area managers setting out key performance and risk indicators, and including progress reports on existing projects.

## **Review of controls**

The University has retained internal auditors who operate to standards defined in the OfS Audit Code of Practice. The internal auditors submit regular reports which include the head of internal audit's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

## **Charitable and Taxation Status**

Norwich University of the Arts is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is not liable to Corporation tax on its charitable activities. Norwich University of the Arts Enterprises Limited is subject to Corporation tax in the same way as any commercial organisation.

# Annual Report - Professional Advisors & Trustees of the Governing Body

## Professional Advisors

### External Auditors

- HW Fisher Audit  
Acre House  
11-15 William Road  
London  
NW1 3ER

### Internal Auditors

- Scrutton Bland (part of Sumer Group)  
Fitzroy House  
Crown Street  
Ipswich, Suffolk  
IP1 3LG

### Bankers

- Lloyds Bank plc  
16 Gentleman's Walk  
Norwich, Norfolk  
NR2 1LZ

### Investment Managers

- LGT Wealth Management (formerly abrdrn)  
One Lochrin Quare  
92 Fountainbridge  
Edinburgh  
EH3 9QA

### Solicitors

- |   |  |   |
|---|--|---|
| • Howes Percival<br>The Guildyard<br>51 Colegate<br>Norwich, Norfolk<br>NR3 1DD | • Leathes Prior<br>74 The Close<br>Norwich, Norfolk<br>NR1 4DR | • Mills & Reeve<br>1 St James Court<br>Whitefriars<br>Norwich, Norfolk<br>NR3 1RU |
|---|--|---|

We appointed HW Fisher LLP in 2023 as our external auditors after a tender. In October 2024, HW Fisher LLP were acquired by Sumer Group Holdings Limited ('Sumer'). In addition, our internal auditors, Scrutton Bland, were acquired by Sumer earlier in 2024. As the external audit was considerably progressed at the date of acquisition of HW Fisher LLP by Sumer, safeguards were put in place to address the ethical issues arising due to both services being provided by Sumer ahead of the external audit opinion being signed in respect of the financial statements for the year ended 31 July 2024. The new trading name is HW Fisher Audit. The Governing Body of the University are considering the internal and external audit arrangements going forwards.

## Trustees

The trustees who served on the Governing Body from 1 August 2023 to the date that the financial statements were formally approved are provided. The dates for those trustees who did not serve for the entire period are also provided.

- Mrs C Armor
- Dr S Bradshaw (to 13 May 2024)
- Ms C Bray
- Mr J Burkill (from 5 July 2024)
- Ms R Chakraborty
- Professor Lady R Cooper
- Mr D Dwyer
- Ms A Ferguson
- Ms M Gauntlett (from 1 July 2024)
- Mr A Grimby (to 30 April 2024)
- Mr M Jeffries (to 30 November 2024)
- Mr C Lawrence
- Mr R Lee (to 31 July 2024)
- Ms C Middleton
- Professor S Ofield-Kerr (Vice-Chancellor)
- Mr K Pink
- Mr R Tiffen (from 5 July 2024)
- Mr I Watson (to 5 July 2024)
- Mr L Wells
- Mr T Wilson
- Mr T Wood
- Ms G Young

## **Annual Report - Statement of Governing Body responsibilities in respect of the Annual Report and the Financial Statements**

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

They are required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

The Governing Body are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Governing Body are also responsible for:

- ensuring that funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

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

Approval of the Annual Report was given as follows:

C Armor, Chair

Date: 2024

# **Independent auditor's report to the Governing body of Norwich University of the Arts**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of Norwich University of the Arts ("the University") and its subsidiary (the 'group') for the year ended 31 July 2024 which comprise the consolidated statement of comprehensive income, University statement of comprehensive income, consolidated and University statement of changes in reserves, consolidated statement of financial position as at 31 July 2024, University statement of financial position as at 31 July 2024, consolidated statement of cash flows for the year ended 31 July 2024 and notes to the financial statements, including the 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 group's and of the University's affairs as at 31 July 2024, and of the group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or 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 Governing Body 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 annual report other than the financial statements and our auditor's report thereon. The Governing Body is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Governing Body**

As explained more fully in the Statement of Governing Body Responsibilities on pages 19 and 20, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determines 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 Governing Body is 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 Governing Body either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

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

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

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.

As part of our planning process:

- We enquired of management the systems and controls the University has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The University did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, 2019 Statement of Recommended Practice (SORP): 'Accounting for Further and Higher Education'.



- We considered the incentives and opportunities that exist in the University, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the University, together with the discussions held with the University and internal auditors at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Obtaining third-party confirmation of material bank balances, loans and investments.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Governing Body and committee minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the Governing Body.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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 the relevant legislation;

- funds provided by the OfS and UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions;
- the requirements of the OfS's accounts direction (issued October 2019) have been met.

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

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the University's grant and fee income, as disclosed in note 4 to the financial statements, has been materially misstated; or
- the University's expenditure on access and participation activities for the financial year, as disclosed in note 11 to the financial statements, has been materially misstated.

**USE OF OUR REPORT**

This report is made solely to the Governing Body as a body in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Governing Body as a body for our audit work, for this report, or for the opinions we have formed.

**HW Fisher Audit**

Chartered Accountants  
 Statutory Auditor  
 Acre House  
 11-15 William Road  
 London  
 United Kingdom  
 NW1 3ER

Date: .....

## Consolidated Statement of Comprehensive Income

Year ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>INCOME</b>			
Tuition fees and education contracts	1	26,330	26,021
Funding body grants	2	2,599	2,395
Research grants and contracts	3	240	149
Other income	5	1,922	1,732
Investment income	6	1,649	797
Donations and endowments	7	18	46
<b>Total Income</b>		<b>32,758</b>	<b>31,140</b>
<b>EXPENDITURE</b>			
Staff costs	9	16,017	15,012
Other operating expenses	11	9,997	8,645
Depreciation	13	2,489	2,167
Interest and other finance costs	8	12	80
Total Expenditure		<b>28,515</b>	<b>25,904</b>
<b>Surplus before other gains and losses</b>		<b>4,243</b>	<b>5,236</b>
(Loss) on disposal of fixed assets	13	-	(4)
Gain / (loss) on investments	14	1,007	(1)
<b>Surplus before tax</b>		<b>5,250</b>	<b>5,231</b>
Taxation	12	-	-
<b>Surplus for the year</b>		<b>5,250</b>	<b>5,231</b>
Actuarial (loss) / gain in respect of pension scheme and asset ceiling adjustment	25.2	(474)	3,209
<b>Total Comprehensive income for the year</b>		<b>4,776</b>	<b>8,440</b>
Represented by:			
Unrestricted Comprehensive income for the year		4,776	8,440
		<b>4,776</b>	<b>8,440</b>

This statement incorporates the consolidated income and expenditure account. The income and expenditure of the Group relates wholly to continuing operations.

The accompanying notes and policies on pages 32-66 form part of these financial statements.

## University Statement of Comprehensive Income

Year ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>INCOME</b>			
Tuition fees and education contracts	1	26,330	26,021
Funding body grants	2	2,599	2,395
Research grants and contracts	3	240	149
Other income	5	1,922	1,728
Investment income	6	1,649	797
Donations and endowments	7	18	46
<b>Total Income</b>		<b>32,758</b>	<b>31,136</b>
<b>EXPENDITURE</b>			
Staff costs	9	16,017	15,012
Other operating expenses	11	9,997	8,642
Depreciation	13	2,489	2,167
Interest and other finance costs	8	12	80
<b>Total Expenditure</b>		<b>28,515</b>	<b>25,901</b>
<b>Surplus before other gains and losses</b>		<b>4,243</b>	<b>5,235</b>
(Loss) on disposal of fixed assets	13	-	(4)
Gain / (loss) on investments	14	1,007	(1)
<b>Surplus before tax</b>		<b>5,250</b>	<b>5,230</b>
Taxation	12	-	-
<b>Surplus for the year</b>		<b>5,250</b>	<b>5,230</b>
Actuarial (loss) / gain in respect of pension scheme and asset ceiling adjustment	25.2	(474)	3,209
<b>Total Comprehensive income for the year</b>		<b>4,776</b>	<b>8,439</b>
Represented by:			
Unrestricted Comprehensive income for the year		4,776	8,439
		<b>4,776</b>	<b>8,439</b>

This statement incorporates the University's income and expenditure account. The income and expenditure of the University relates wholly to continuing operations.

The accompanying notes and policies on pages 32-66 form part of these financial statements.

## Consolidated and University Statement of Changes in Reserves

Group	Income and expenditure account		Revaluation	Total £'000
	Endowments £'000	Unrestricted £'000	Reserve £'000	
<b>Balance at 1 August 2022</b>	<b>20</b>	<b>61,211</b>	<b>3,345</b>	<b>64,576</b>
Surplus from the income and expenditure account	-	5,231	-	5,231
Other comprehensive income	102	3,208	-	3,310
Transfers between revaluation reserve and income and expenditure account	-	117	(117)	-
Release of restricted funds spent in the year				
<b>Balance at 1 August 2023</b>	<b>122</b>	<b>69,767</b>	<b>3,228</b>	<b>73,117</b>
Surplus from the income and expenditure account	7	5,250		5,257
Other comprehensive income		(474)		(474)
Transfers between revaluation reserve and income and expenditure account		118	(118)	-
Release of restricted funds spent in the year	(19)			(19)
<b>Balance at 31 July 2024</b>	<b>110</b>	<b>74,661</b>	<b>3,110</b>	<b>77,881</b>

University	Income and expenditure account		Revaluation	Total £'000
	Endowments £'000	Unrestricted £'000	Reserve £'000	
<b>Balance at 1 August 2022</b>	<b>20</b>	<b>61,197</b>	<b>3,345</b>	<b>64,562</b>
Surplus from the income and expenditure account	-	5,230	-	<b>5,230</b>
Other comprehensive income	102	3,209	-	<b>3,311</b>
Transfers between revaluation reserve and income and expenditure account	-	117	(117)	-
Release of endowment and restricted capital funds spent in the year				
<b>Balance at 1 August 2023</b>	<b>122</b>	<b>69,753</b>	<b>3,228</b>	<b>73,103</b>
Surplus from the income and expenditure account	7	5,250		<b>5,257</b>
Other comprehensive income		(474)		<b>(474)</b>
Transfers between revaluation reserve and income and expenditure account		118	(118)	-
Release of endowment and restricted capital funds spent in the year	(19)			<b>(19)</b>
<b>Balance at 31 July 2024</b>	<b>110</b>	<b>74,647</b>	<b>3,110</b>	<b>77,867</b>

The accompanying notes and policies on pages 32-66 form part of these financial statements.

## Consolidated Statement of Financial Position as at 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>Non-Current assets</b>			
Fixed assets	13	39,351	39,010
Investments	14	11,359	10,131
		<b>50,710</b>	<b>49,141</b>
<b>Current assets</b>			
Stocks		46	58
Trade and other receivables	15	4,200	1,344
Short term deposits	16	5,241	11,049
Cash at bank and in hand	23	25,102	19,554
		<b>34,589</b>	<b>32,005</b>
Creditors: amounts falling due within one year	17	(3,959)	(4,168)
<b>Net current assets</b>		<b>30,630</b>	<b>27,837</b>
<b>Total assets less current liabilities</b>		<b>81,340</b>	<b>76,978</b>
Creditors: amounts falling due after one year	18	(3,433)	(3,768)
<b>Provisions</b>			
Pension provision	25	-	-
Other provisions	19	(26)	(93)
<b>TOTAL NET ASSETS</b>		<b>77,881</b>	<b>73,117</b>
<b>Restricted Reserves</b>			
Income and expenditure reserve - endowments	20	110	122
<b>Unrestricted Reserves</b>			
Income and expenditure reserve - unrestricted		74,661	69,767
Revaluation reserve		3,110	3,228
<b>TOTAL FUNDS</b>		<b>77,881</b>	<b>73,117</b>

The Financial Statements on pages 25-66 were approved by the Council on 29 November 2024 and were signed on its behalf on

by:

C Armor

Chair

J Smeeth

Chief Operating Officer

Prof. S Ofield-Kerr

Vice-Chancellor

The accompanying notes and policies on pages 32-66 form part of these financial statements.

## University Statement of Financial Position as at 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>Non-current assets</b>			
Fixed assets	13	39,351	39,010
Investments	14	11,359	10,131
Investment in Subsidiary	14	-	-
		<b>50,710</b>	<b>49,141</b>
<b>Current assets</b>			
Stocks		46	58
Trade and other receivables	15	4,209	1,450
Short term deposits	16	5,241	11,049
Cash at bank and in hand	23	25,079	19,426
		<b>34,575</b>	<b>31,983</b>
Creditors: amounts falling due within one year	17	(3,959)	(4,160)
		<b>30,616</b>	<b>27,823</b>
<b>Net current assets</b>			
		<b>81,326</b>	<b>76,964</b>
<b>Total assets less current liabilities</b>			
Creditors: amounts falling due after one year	18	(3,433)	(3,768)
<b>Provisions</b>			
Pension provision	25	-	-
Other provisions	19	(26)	(93)
		<b>77,867</b>	<b>73,103</b>
<b>TOTAL NET ASSETS</b>			
<b>Restricted Reserves</b>			
Income and expenditure reserve - endowments	20	110	122
<b>Unrestricted Reserves</b>			
Income and expenditure reserve - unrestricted		74,647	69,753
Revaluation reserve		3,110	3,228
		<b>77,867</b>	<b>73,103</b>
<b>TOTAL FUNDS</b>			

The Financial Statements on pages 25-66 were approved by the Council on 29 November 2024 and were signed on its behalf on

by:

C Armor

Chair

J Smeeth

Chief Operating Officer

Prof. S Ofield-Kerr

Vice-Chancellor

The accompanying notes and policies on pages 32-66 form part of these financial statements.



## Consolidated Statement of Cash Flows for the year ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		5,250	5,231
<b>Adjustments for:</b>			
Depreciation	13	2,489	2,167
(Gain) / loss on investments	14	(1,007)	1
Decrease / (increase) in stock		12	(3)
Decrease / (increase) in debtors	15	77	(398)
(Decrease) / increase in creditors	17	(242)	1,113
(Decrease) in restructuring provision	19	(67)	(1)
Net (credit) / charge on pension scheme		(474)	329
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(1,649)	(797)
Interest payable	8	24	29
Deferred capital grants released to income		(593)	(403)
Loss on disposal of fixed assets		-	4
<b>Net cash flow from operating activities</b>		<b>3,820</b>	<b>7,272</b>
<b>Cash flows from investing activities</b>			
Investment income		1,393	420
Payments made to acquire fixed assets		(5,729)	(1,981)
Deferred capital grants received/applied		386	1,097
New Deposits		-	(7,049)
Withdrawal of deposits		5,808	-
New Investments		-	(5,003)
		<b>1,858</b>	<b>(12,516)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(23)	(29)
Repayments of amounts borrowed		(95)	(94)
Endowment Income		7	102
Endowment payments		(19)	-
		<b>(130)</b>	<b>(21)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>5,548</b>	<b>(5,265)</b>
Cash and cash equivalents at the beginning of the year	23	19,554	24,819
Cash and cash equivalents at the end of the year	23	<b>25,102</b>	<b>19,554</b>

The accompanying notes and policies on pages 32-66 form part of these financial statements.

## Statement of Principal Accounting Policies

### General information

Norwich University of the Arts is registered with the Office for Students. The registered office is Francis House, 3-7 Redwell St, Norwich, NR2 4SN.

### Going Concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Review (pages 1-9). The Strategic Review also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Governing Body consider to be appropriate for the following reasons:

The Governing Body has prepared cash flow forecasts for the period to December 2025 which indicate that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements (the going concern period).

It was noted that liquid reserves (i.e. Investments, Short term investments and Cash at bank and in hand) as at 31 July 2024 stood at £41.7m, which was 127% of turnover for the 2023/24 financial year. The Governing Body noted the strong key financial performance indicators for the University, relative to the sector averages, as detailed in the Strategic Review; in particular, the Current Ratio (measuring the ratio of Current assets to Current Liabilities) which was 8.7 as at 31 July 2024 for the University, compared to a sector average (for 2022/23) of 1.7.

### Basis of preparation

These financial statements have been prepared in accordance with the 2019 Statement of Recommended Practice (SORP): 'Accounting for Further and Higher Education' and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of certain fixed assets). The financial statements have been prepared in British Pounds, which is the functional currency of the University.

### Basis of consolidation

The consolidated financial statements include the University and its subsidiary company, Norwich University of the Arts Enterprises Limited. All financial statements are made up to 31 July 2024. Intra-group transactions and balances are eliminated fully on consolidation.

The consolidated financial statements do not include the results of the University's Students' Union as it is a separate entity over which the University has no significant control or influence.

### Recognition of income

Tuition fees represent student fees received and receivable attributable to the current accounting period. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Government revenue grants which include Office for Students and Research England grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Endowment and Investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred to Restricted Reserves, Income and expenditure reserve - endowments.

### **Capital grants**

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

### **Donations and Endowments**

#### **Unrestricted donations**

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

#### **Endowment funds**

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:

- 1 Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the institution
- 2 Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income
- 3 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

#### **Pension schemes**

Retirement benefits to employees of the University are provided by the Local Government Pension Scheme (LGPS) and the Teachers Pensions Scheme (TPS). Both of these schemes are defined benefit schemes. Defined benefit schemes are post-employment benefit plans other than defined contribution schemes. Under defined benefit schemes, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University should recognise a liability for its obligations under defined benefit schemes net of scheme assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified

actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Contributions to both the TPS and LGPS schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll, subject to changes in benefits under the scheme and to actuarial assumptions. The contributions are determined by a qualified actuary.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the Teachers' Pension Regulations 2010 and the Teachers' Pension Scheme Regulations 2014.

The LGPS is a funded scheme and the University does recognise a net defined benefit liability on its Statement of Financial Position for this scheme. The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary using the projected unit method, the last published valuation having been in March 2022. An asset ceiling has been applied for 2023/24 to bring the net position to nil, recognising that the University does not have an unconditional right to a surplus.

Further information on the TPS and LGPS can be found in note 25 to the financial statements. Further explanation on how we have recognised the net defined benefit position on the Statement of Financial Position is provided in the 'Other key sources of estimation uncertainty' section below.

**Fixed assets**

a) Land and buildings

All land and buildings owned at 31 July 1998 were revalued at that date by a firm of independent chartered surveyors. Premises on the main Norwich site, inherited from the local education authority, are valued at depreciated replacement cost. Other premises acquired before 31 July 1998 were valued at open market value. Any buildings purchased after that date have been included at cost.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Freehold land is not depreciated. Freehold and leasehold buildings at 31 July 1998 are depreciated in accordance with specific advice given by professional chartered surveyors. The average annual rate of depreciation currently applied to buildings is 3.2%. Enhancement to buildings is depreciated on a straight line basis over estimated life as follows:

Freehold buildings	40 years
Enhancements to buildings (Freehold)	20 years
Enhancements to buildings (Leasehold)	the lesser of 20 years or remaining period of the lease

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income.

b) Fixtures, Fittings and Equipment

Fixtures, fittings and equipment costing less than £3,000 per item or group of items are written off to the income and expenditure account in the period of acquisition. Other equipment with an expected life of more than one year is capitalised at cost.

Fixtures, fittings and equipment are depreciated on a straight line basis over their useful economic life as follows:

Cabling/ducting, boilers	15 years
Computer (IT) equipment	3 years
Other fixtures, fittings and equipment	5 years

c) Motor Vehicles

Motor vehicles are capitalised and depreciated on a straight line basis over their useful economic life. This is considered to be 4 years.

d) Assets under the course of construction

Assets in the course of construction are accounted for at cost based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

### **Maintenance of premises**

The University has a rolling maintenance programme which is reviewed on an annual basis. The cost of all maintenance is charged to the income and expenditure account as incurred. Expenditure which extends the useful life of an asset or enhances an asset is capitalised.

### **Employment benefits**

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

### **Investments**

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

Current asset investments are carried at the lower of cost and net realisable value.

### **Finance leases**

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding

lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

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

### **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.

### **Service concession arrangements**

Fixed assets held under service concession arrangements are recognised on the Statement of Financial Position at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Where necessary, provision is made for obsolete or slow-moving items. Consumable items are charged directly to the income and expenditure account.

### **Foreign currency translation**

Monetary assets denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period.

### **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 is partially exempt in respect of Value Added Tax, as its main activity is the supply of education which is an exempt supply for the purposes of VAT. Accordingly, it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on supplies and services received is included in the related costs in the financial statements. It is also added to the cost of tangible fixed assets as appropriate.

Norwich University of the Arts Enterprises Limited is subject to corporation tax and VAT in the same way as any commercial organisation.

Deferred taxation is accounted for at expected tax rates on all timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted. Deferred tax is not discounted.

### **Financial instruments**

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on the ownership of the asset are transferred to another party.

### **Provisions**

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

### **Related party transactions**

In accordance with the exemption available in section 33.1A of FRS102, details of intra group transactions are not disclosed where the subsidiary is 100% owned.

### **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.

### **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.

### **Judgements in applying accounting policies and key sources of estimation uncertainty**

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

#### **a) Leases**

It has determined whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

## **b) Tangible fixed assets**

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

The Governing Body has determined whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

## **c) Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit position depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension position. Furthermore a roll forward approach which projects results from the latest published full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions position at 31 July 2024. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension position.

During the year, the net asset position increased from £2.2m to £4.4m. Assets increased by £4.1m because of strong investment returns and the fact that the employer and employee contributions into the scheme exceeded the benefits paid out. Liabilities increased by £1.9m, mainly due to the additional cost of providing pensions in future for those staff who worked for us during the year (known as the 'current service cost') and interest charges on our liabilities. Partially offsetting these two reasons for an increase in our liabilities were changes in our financial and demographic assumptions, with a reduction in the Pension Increase Rate having the most effect on reducing our forecast future liabilities.

For a number of years up to and including 2021/22, the net position shown in our balance sheet was a deficit, being the difference between the value of the scheme assets and the higher value of the pension liability. In 2022/23 and this year, we have had to consider whether the accounting standard FRS102 allows us to recognise a surplus. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus". After taking professional advice on the matter, we have concluded that we may have a right to reduced contributions in future because of the surplus, although this is not conclusive. However, even if we do have such a right, given that we consider that any such right would need to include an allowance for a minimum funding requirement, and that our actuaries have calculated that in such a scenario the amount we could recognise as a surplus would be nil, we have decided that the correct accounting treatment is to apply an asset ceiling adjustment to bring the net position to nil.



## Notes to the Financial Statements

### 1. Tuition fees and education contracts

#### Group and University

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Undergraduate fees (Home & EU)	23,091	23,429
Undergraduate fees (Overseas)	2,503	2,019
Postgraduate fees (Home & EU)	540	480
Postgraduate fees (Overseas)	196	93
	<b>26,330</b>	<b>26,021</b>

### 2. Funding Body grants

#### Group and University

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Recurrent grant – OfS	854	871
Recurrent grant – Research England	268	268
Other Council grants – OfS and Research England	1,061	912
Release of Deferred Capital Grants	416	344
	<b>2,599</b>	<b>2,395</b>

### 3. Research grants and contracts

#### Group and University

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Research Charities	24	1
Government (UK and overseas)	216	148
	<b>240</b>	<b>149</b>

#### 4. Grant and Fee income

The source of grant and fee income, included in notes 1 to 3 is as follows:

##### Group and University

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Grant income from the OfS	1,723	1,340
Grant income from other bodies	1,116	1,104
Fee income for research awards	70	100
Fee income for taught awards	26,260	26,021
	<b>29,169</b>	<b>28,565</b>

#### 5. Other income

##### Group

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Catering and residence operations	1,345	1,377
Other grant income	33	33
Other student related income	372	83
Other income	172	239
	<b>1,922</b>	<b>1,732</b>

##### University

	Year ended 31 July 2024 £000	Year ended 31 July 2023 £000
Catering and residence operations	1,385	1,377
Other grant income	33	33
Other student related income	372	83
Other income	132	235
	<b>1,922</b>	<b>1,728</b>

## 6. Investment income

### Group and University

	<b>Year ended 31 July 2024 £000</b>	<b>Year ended 31 July 2023 £000</b>
Bank and short term investment income	1,369	615
Other investment income	280	182
	<b>1,649</b>	<b>797</b>

## 7. Donations and endowments

### Group and University

	<b>Year ended 31 July 2024 £'000</b>	<b>Year ended 31 July 2023 £'000</b>
Unrestricted Donations	18	46

## 8. Interest and other financial costs

### Group and University

	<b>Year ended 31 July 2024 £'000</b>	<b>Year ended 31 July 2023 £'000</b>
Net (credit) / charge on pension scheme (note 25)	(12)	51
Bank loan interest	24	29
	<b>12</b>	<b>80</b>

## 9. Staff costs

The average monthly number of persons employed by the Group and the University during the year, expressed as full-time equivalents was:

### Group and University

	<b>Year ended 31 July 2024 Number</b>	<b>Year ended 31 July 2023 Number</b>
Academic and Technical staff	185	170
Administrative and Other staff	154	140
	<b>339</b>	<b>310</b>

### Staff costs for the above persons:

#### Group and University

	<b>Year ended 31 July 2024 £'000</b>	<b>Year ended 31 July 2023 £'000</b>
Wages and salaries	12,410	11,093
Social security costs	1,195	1,093
Pension costs (note 25.2)	2,466	2,739
Restructuring costs	(54)	87
	<b>16,017</b>	<b>15,012</b>

#### Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes the total compensation paid to key management personnel, including pension contributions.

#### Group and University

	<b>Year ended 31 July 2024 £</b>	<b>Year ended 31 July 2023 £</b>
Key Management Personnel compensation	598,073	609,644

Key management personnel comprises the four posts of the Senior Leadership Team.

#### Trustees

Due to the nature of the University's operations and the compositions of the Trustees, some being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a trustee may have an interest. All transactions involving organisations in which a trustee may have an interest are conducted in accordance with the University's Financial Regulations and usual procurement procedures. Details of these transactions can be found in note 27.

## Severance payments

The total amount of compensation for loss of office paid and the number of people to whom this was payable:

### Group and University

	<b>Year ended 31 July 2024 £000</b>	<b>Number</b>	<b>Year ended 31 July 2023 £000</b>	<b>Number</b>
Loss of office	-	-	72	4

Annualised basic salary of higher paid staff. Those who left or joined part way through the year have only been included if they were paid £100,000 or more during the year.

	<b>Year ended 31 July 2024 Number</b>	<b>Year ended 31 July 2023 Number</b>
£205,000 - £209,999	1	-
£200,000 - £204,999	-	1
£100,000 - £104,999	1	-

## 10. Higher paid staff

### Emoluments of the posts of Vice-Chancellor

	Year ended 31 July 2024	Year ended 31 July 2023
	£	£
Basic salary	206,206	200,200
Discretionary payment	-	4,004
Private Health Insurance	964	1,024
Sub-total excluding pension contributions	207,170	205,228
Pension contributions	52,266	48,355
<b>Total emoluments</b>	<b>259,436</b>	<b>253,583</b>

To deliver its Strategy and Operational Plan, the University recognises the need for highly talented, competent, committed and motivated individuals. The University rewards and recognises employees competitively, appropriately and fairly. The University's Remuneration Framework has the following principles:

- 1 Remuneration is competitive and takes account of the commercial pressures of the HE marketplace through relevant benchmarking using University and Colleges Employers' Association (UCEA) data. Benchmarking against the HE sector takes into account the salaries paid in HEIs of a similar size to the University and similar specialist institutions.
- 2 Remuneration is determined fairly and objectively with due consideration of remuneration throughout the University;
- 3 Remuneration is linked to the imperatives of the University's Strategy and Operational Plan, including rewarding employees who demonstrate enterprise and add strategic value to the organisation;
- 4 Remuneration is viewed as a total remuneration package comprising pay and non-pay benefits;
- 5 Remuneration decisions for senior post holders will be commensurate with the individual's role and level of performance as delivered against their individual annual objectives.

Benchmarking data from the annual UCEA Senior Salary Survey are utilised to inform the salary decisions of senior post holders alongside comparison data from the Committee for University Chairs (CUC) for similar specialist universities. Other benchmarking information for comparable roles outside the higher education sector will be considered as deemed appropriate by the Chair of the Remuneration Committee.

The basic salary for the Vice-Chancellor for 2023/24 was approved by the Remuneration Committee of the Governing Body in June 2023. The Vice-Chancellor was awarded a 3% increase in his basic salary. This decision was based on the principles above and was informed by organisational and individual performance against objectives for the preceding 12 months, as provided by the Chair of Council. The Vice-Chancellor was also awarded a 2% non-consolidated bonus in recognition of this performance in the 2022/23 financial year – this amount was accrued in the 2022/23 financial year and paid to him as a lump sum in August 2023.

Evidence considered included:

- Significant progress in implementing the University's new strategy
- Bank Plain development and delivery plan
- Research and Knowledge Exchange Strategy, delivery and funding success
- Introduction of a programme of VC Talks, development of gallery programme and research events
- Securing OfS capital funding for games/film tech investment, totalling £2mn over 4 years
- Embedding new structures and staff appointments, including Chief Operating Officer, Director of Human Resources, x6 Programme Directors, and appointment of Director of Marketing and Student Recruitment
- Submission to the Teaching Excellence Framework (TEF), Creative Education Strategy, and work on quality assurance and enhancement, including integrating TEF metrics
- Strong showing in 2024 Complete University Guide – 56th position
- First round of Professor/Reader promotions
- Continuing progress to enable a shift in institutional cultural shift, based on a more inclusive and consultative form of leadership and management.
- Healthy financial surplus.

The Vice-Chancellor's basic salary was 6.6 times the median pay of staff employed during the year of £31,396, where the median pay was calculated on a full-time equivalent basis for the salaries paid by the University to its staff (2022/23 – 6.7 times).

The Vice-Chancellor's total remuneration was 7.1 times the median total remuneration of staff employed during the year of £36,471, where the median total remuneration was calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff (2022/23 – 7.2 times).

## 11. Analysis of other operating expenditure by activity

### Group

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Academic and related expenditure	4,447	3,848
Administration and central services	1,722	1,556
Premises	3,200	2,297
Residences, catering and conferences	606	576
Research grants and contracts	4	121
Other expenses	18	247
<b>Total</b>	<b>9,997</b>	<b>8,645</b>

### University

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Academic and related expenditure	4,447	3,848
Administration and central services	1,722	1,556
Premises	3,200	2,297
Residences, catering and conferences	606	576
Research grants and contracts	4	121
Other expenses	18	244
<b>Total</b>	<b>9,997</b>	<b>8,642</b>

### Other operating expenses include

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
External auditor's remuneration – University		
Audit	68	54
Other services	6	7
External auditor's remuneration – Subsidiary	4	5
Internal auditor's remuneration – Group and University	33	29
Hire of premises – operating leases	380	371



**Access and Participation**

	<b>Year ended 31 July 2024 £000</b>	<b>Year ended 31 July 2023 £000</b>
Access Investment	550	455
Financial Support	422	445
Disability Support	563	429
Research and Evaluation	180	1
<b>Total</b>	<b>1,715</b>	<b>1,330</b>

£1,082,822 of these costs are already included in the overall staff cost figures included in the financial statements, see note 9. A copy of our published access and participation plan for 2023/24 is available here [Scholarships and Bursaries | Norwich University of the Arts](#)

## 12. Taxation

As stated in note 1, no corporation tax is payable by the University due to its tax status. No corporation tax is payable for the year in respect of Norwich University of the Arts Enterprises Limited.

## 13. Tangible fixed assets

Group and University

<b>Cost or valuation</b>	<b>Land and buildings Freehold £'000</b>	<b>Land and buildings Long Leasehold £'000</b>	<b>Fixtures, Fittings &amp; Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Assets in the course of construction £'000</b>	<b>Total £'000</b>
At 1 August 2023	49,434	1,398	4,540	13	-	55,385
Additions at cost	412	122	1,012	-	1,284	2,830
Disposals	-	-	(55)	-	-	(55)
<b>At 31 July 2024</b>	<b>49,846</b>	<b>1,520</b>	<b>5,497</b>	<b>13</b>	<b>1,284</b>	<b>58,160</b>
<b>Depreciation</b>						
At 1 August 2023	13,229	761	2,372	13	-	16,375
Charge for year	1,631	51	807	-	-	2,489
Eliminated on disposals	-	-	(55)	-	-	(55)
<b>At 31 July 2024</b>	<b>14,860</b>	<b>812</b>	<b>3,124</b>	<b>13</b>	<b>-</b>	<b>18,809</b>
<b>Net book amount</b>						
At 31 July 2024	34,986	708	2,373	-	1,284	39,351
At 1 August 2023	36,205	637	2,168	-	-	39,010

## Cost or valuation is represented by

Group	Freehold £'000	Long Leasehold £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost	44,040	910	5,497	13	1,284	51,744
Valuation in 1998	5,806	610	-	-	-	6,416
<b>Total</b>	<b>49,846</b>	<b>1,520</b>	<b>5,497</b>	<b>13</b>	<b>1,284</b>	<b>58,160</b>

If tangible fixed assets had not been revalued they would have been included at the following amounts:

Group	Freehold £'000	Long Leasehold £'000	Fixtures, Fittings & Equipment £'000	Motor Vehicles £'000	Assets in the course of construction £'000	Total £'000
Cost	44,040	910	5,497	13	1,284	51,744
Aggregate depreciation based on cost	(11,830)	(682)	(3,123)	(13)	-	(15,648)
<b>Net book amount based on cost</b>	<b>32,210</b>	<b>228</b>	<b>2,374</b>	<b>-</b>	<b>1,284</b>	<b>36,096</b>

All land and buildings owned at 31 July 1998 were revalued at that date by a firm of independent chartered surveyors. Premises on the main Norwich site, inherited from the local education authority, are valued at depreciated replacement cost. Other premises acquired before 31 July 1998 were valued at open market value. Any buildings purchased after that date have been included at cost.

Tangible fixed assets have been acquired with the assistance of capital grants from OfS which are deemed to be financed from Exchequer funds. Were these assets to be sold, the University, under the terms and conditions of funding of the Office for Students, may be required to surrender the balance of these funds from the sales proceeds.

The East and West Garth buildings in Norwich are the long leasehold premises in the 1998 valuation shown above. The University has user rights in perpetuity as long as the buildings are used for educational purposes. The buildings are being depreciated according to recommendations by a firm of independent chartered surveyors.

## 14. Investments

### Investments

	2024 £'000	2024 £'000	2024 £'000	2023 £'000
	<b>Equities &amp; bonds</b>	<b>Cash</b>	<b>Total</b>	<b>Total</b>
At 1 August	9,233	898	10,131	4,990
Additions to the portfolio	-	-	-	5,003
Investment additions	1,497	(1,497)	-	-
Investment disposals	(871)	871	-	-
Income	-	280	280	182
Costs	-	(59)	(59)	(43)
Fair value adjustments	1,007	-	1,007	(1)
At 31 July	<b>10,866</b>	<b>493</b>	<b>11,359</b>	<b>10,131</b>
<b>Represented by:</b>			<b>£'000</b>	<b>£'000</b>
Equities			8,803	7,053
Bonds			2,063	2,180
Cash			493	898
			<b>11,359</b>	<b>10,131</b>

<b>Investment in subsidiary - University</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Investment in Subsidiary Company at cost	2	2

The University owns 100% of the issued share capital of 2 £1 ordinary shares of Norwich University of the Arts Enterprises Limited, a company registered in England and Wales. The principal business of Norwich University of the Arts Enterprises Limited is the provision of educational services and associated facilities, and other related commercial activities. Its result for the year was a profit of £0 with net liabilities of £70,717.

## 15. Trade and other receivables

### Group

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	113	242
Other receivables	49	38
Prepayments and accrued income	4,038	1,064
<b>Total</b>	<b>4,200</b>	<b>1,344</b>

### University

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Trade and other receivables	123	252
Amounts due from subsidiary		116
Other receivables	48	18
Prepayments and accrued income	4,038	1,064
<b>Total</b>	<b>4,209</b>	<b>1,450</b>

All the amounts above fall due within one year (Group and University).

## 16. Short term investments

### Group & University

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Short term deposits	5,241	11,049

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

## 17. Creditors: amounts falling due within one year

### Group

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loan	103	97
Payments received in advance	113	299
Trade payables	1,599	1,365
Other taxes and social security	282	341
Deferred capital grants	613	586
Accruals and deferred income	1,249	1,480
<b>Total</b>	<b>3,959</b>	<b>4,168</b>

### University

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loan	103	97
Payments received in advance	113	299
Trade payables	1,599	1,365
Other taxes and social security	282	341
Deferred capital grants	613	586
Accruals and deferred income	1,249	1,472
<b>Total</b>	<b>3,959</b>	<b>4,160</b>

## 18. Creditors: amounts falling due after more than one year

### Group and University

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Bank loan	310	411
Deferred capital grants	3,123	3,357
Balance at 31 July	<u>3,433</u>	<u>3,768</u>

### Analysis of the bank loan:

Group	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Falling due within 1 year	103	97
Falling due between 1 and 2 years	108	103
Falling due between 2 and 5 years	202	308
Falling due outside 5 years	-	-
Total	<u>413</u>	<u>508</u>

The unsecured bank loan with Lloyds Bank is repayable in quarterly instalments over 20 years until March 2028, at a fixed rate of 5.33%.

## 19. Other provisions

### Group and University

<b>Enhanced pension provision</b>	<b>£'000</b>
As at 1 August 2023	93
Released in the year	(4)
Utilised during the year	<u>(63)</u>
At 31 July 2024	<u>26</u>

The restructuring provision relates to an enhanced pension payable to the widow of a former Head of the University.

## 20. Income and expenditure Reserve – Endowments

### Group and University

	<b>Restricted Permanent £'000</b>	<b>Restricted Expendable £'000</b>	<b>Total £'000</b>
Balance at 1 August 2023			
- Capital	9	113	122
New endowments	-	1	1
Investment income	-	6	6
Expenditure	-	(19)	(19)
<b>Balance as at 31 July 2024</b>	<b>9</b>	<b>101</b>	<b>110</b>

<b>Represented by:</b>	<b>£'000</b>
Nic Hughes Memorial Award	9
Anonymous	88
Other	13
<b>Balance at 31 July 2024</b>	<b>110</b>



## 21. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

### Group and University

	<b>Land and Buildings 2024 £'000</b>	<b>Other 2024 £'000</b>	<b>Total 2024 £'000</b>	<b>Total 2023 £'000</b>
Payable during the year	379	33	412	395
Future minimum lease payments due				
Not later than 1 year	554	33	587	388
Later than 1 year and not later than 5 years	2,243	56	2,299	1,511
Later than 5 years	1,059	4	1,063	948
<b>Total</b>	<b>3,856</b>	<b>93</b>	<b>3,949</b>	<b>2,847</b>

## 22. Capital commitments

At 31 July 2024 the Group had capital commitments of £3,503,642 (31 July 2023: £261,920). This included:

- £2,900,000 for the purchase of some student accommodation on Edgeworth Road, Norwich. Contracts were exchanged in November 2023 and completion took place on 8<sup>th</sup> August 2024.
- £242,616 for the creation of gender neutral toilets across our campus buildings
- £361,026 for a new entrance and multi-function space for our Duke Street building

## 23. Cash at bank and in hand

### Group

	<b>At 1 August 2023 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31 July 2024 £'000</b>
Cash at bank and in hand	19,554	5,548	25,102
<b>Total</b>	<b>19,554</b>	<b>5,548</b>	<b>25,102</b>

### University

	<b>At 1 August 2023 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31 July 2024 £'000</b>
Cash at bank and in hand	19,426	5,653	25,079
<b>Total</b>	<b>19,426</b>	<b>5,653</b>	<b>25,079</b>

#### 24. Consolidated reconciliation of net debt

	<b>1 August 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>	<b>31 July 2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	19,554	5,548	-	25,102
Unsecured loans	(508)	95	-	(413)
	<b>19,046</b>	<b>5,643</b>	<b>-</b>	<b>24,689</b>

## **25. Pension commitments**

The University's employees belong to two principal pension schemes, the Local Government Pension Scheme (LGPS) and the Teachers' Pension Scheme England and Wales (TPS). Both schemes are defined benefit schemes. Norwich University of the Arts Enterprises Limited has no employees.

### **25.1 Teachers' Pension Scheme**

#### **Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract.. Teachers and lecturers are able to opt out of the TPS.

#### **The Teachers' Pensions budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

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

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

As a result of the scheme valuation as at 31 March 2020, employer contributions were increased in April 2024 from a rate of 23.68% to 28.68%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses. A copy of the latest valuation report can be found by following this link to [Valuation result | 10 | 2023](#)

The next valuation is expected to take effect in 2027.

#### **Scheme changes**

In line with the requirements of the Public Service Pensions and Judicial Offices Act 2022, the Department for Education laid regulations which came into force on 1 April 2022, closing the legacy scheme to any further accrual which prevented any further discrimination. The regulatory changes, along with the ongoing Transitional Protection remedy, are being implemented in response to the McCloud-Sargeant discrimination ruling. The retrospective remedy offers members in scope a deferred choice of benefits, legacy or reformed, in respect of pensionable service during the remedy period (1 April 2015 to 31 March 2022).

The pension costs paid to TPS in the year amounted to £1,311,204 (2023: £1,125,248).

**25.2 LGPS**

The LGPS is a funded scheme, with the assets held in separate trustee administered funds.

The pension cost is assessed every three years in accordance with the advice of an independent qualified actuary using the projected unit method, the last published valuation having been in March 2022. The financial assumptions used by the actuary for the purposes of the calculations as required by reporting standard FRS102.28 are as follows:

<b>Assumptions as at</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
	<b>% per annum</b>	<b>% per annum</b>
Rate of increase in salaries	3.45	3.70
Rate of increases in pensions in payment (in line with CPI)	2.75	3.00
Discount rate	5.00	5.05

The assumed life expectations on retirement age 65 are:

**Current pensioners:**

	<b>31 July 2024</b>	<b>31 July 2023</b>
Males	21.2 years	21.3 years
Females	24.3 years	24.3 years

**Future pensioners:**

	<b>31 July 2024</b>	<b>31 July 2023</b>
Males	21.9 years	22.0 years
Females	25.8 years	25.8 years

**The assets and liabilities in the scheme were:**

<b>Employer Assets</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
	<b>£'000</b>	<b>£'000</b>
Equities	17,659	15,245
Bonds	11,546	10,462
Property	3,736	3,587
Cash	1,019	598
<b>Total fair value of assets</b>	<b>33,960</b>	<b>29,892</b>

<b>Present value of scheme liabilities</b>	<b>31 July 2024</b>	<b>31 July 2023</b>
	<b>£'000</b>	<b>£'000</b>
Funded	(29,468)	(27,580)
Unfunded	(74)	(75)
<b>Surplus in the scheme (before adjustment)</b>	<b>4,418</b>	<b>2,237</b>
Asset ceiling adjustment	(4,418)	(2,237)
<b>Deficit in the scheme</b>	<b>-</b>	<b>-</b>

	<b>31 July 2024</b>	<b>31 July 2023</b>
Expected rates of return	5.00%	5.05%

This year, we have again had to consider whether the accounting standard FRS102 allows us to recognise a surplus. FRS 102 states that “an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus”. After taking professional advice on the matter, we have concluded that we may have a right to reduced contributions in future because of the surplus, although this is not conclusive. However, even if we do have such a right, given that we consider that any such right would need to include an allowance for a minimum funding requirement, and that our actuaries have calculated that in such a scenario the amount we could recognise as a surplus would be nil, we have decided that the correct accounting treatment is to apply an asset ceiling adjustment to bring the net position to nil.

The Actuarial Valuation Report states that:

(i) There is a range of actuarial assumptions which are acceptable under the requirements of FRS102.28, particularly in respect of the expected return on equities. The Actuary considers that these assumptions are within the acceptable range and are thus consistent with the requirements of FRS102.28. The assumed returns are net of administration and investment expenses. No allowance has been included in the cost of accruing benefits for expenses.

(ii) The Actuary is satisfied that the rolling forward of previous valuation data to 31 July 2024 does not introduce any material distortion in the results provided that the actual experience of the Fund has been broadly in line with the actuarial assumptions.

The following amounts were measured in accordance with the requirements of FRS102.28:

	<b>Year ended 31 July 2024 £'000</b>	<b>Year ended 31 July 2023 £'000</b>
<b>Analysis of the amount shown in the Statement of Financial Position</b>		
Scheme assets	33,960	29,892
Scheme liabilities	(29,542)	(27,655)
Asset ceiling adjustment	(4,418)	(2,237)
<b>Surplus / (deficit) in the scheme</b>	<b>-</b>	<b>-</b>
<b>Operating charge</b>		
Current service cost	1,163	1,620
Past service (gain)/cost	-	-
<b>Total operating charge</b>	<b>1,163</b>	<b>1,620</b>
<b>Analysis of the amount charged to interest payable</b>		
Interest cost	1,533	1,060
Expected return on assets	(1,545)	(1,009)
<b>Net (credit) / charge</b>	<b>(12)</b>	<b>51</b>
<b>Analysis of Other Comprehensive income</b>		
Return on plan assets in excess of interest income	1,120	(219)
Actuarial gain on demographic assumptions	59	257
Actuarial gain on financial assumptions	1,356	8,952
Actuarial (loss) on experience adjustment	(941)	(3,544)
Change in asset ceiling excluding interest	(2,068)	(2,237)
<b>Total (loss) / gain</b>	<b>(474)</b>	<b>3,209</b>

## Movement in the University's share of the Scheme's deficit during the year

	31 July 2024 £'000	31 July 2023 £'000
Surplus / (deficit) at 1 August	-	(2,880)
Current service cost	(1,163)	(1,620)
Past service gain	-	-
Employer Contributions	1,618	1,336
Other finance costs	12	(51)
Contributions in respect of unfunded benefits	7	6
Actuarial (losses) / gains, net of asset ceiling	(474)	3,209
<b>Gain / (deficit) at end of year</b>	<b>-</b>	<b>-</b>

## Reconciliation of liabilities

	31 July 2024 £'000	31 July 2023 £'000
Liabilities at start of year	27,655	31,167
Current service cost	1,163	1,620
Past service cost	-	-
Interest cost	1,420	1,060
Contributions by members	425	374
Actuarial (gains)	(474)	(5,970)
Estimated unfunded benefits paid	(7)	(6)
Estimated benefits paid	(640)	(590)
<b>Liabilities at end of year</b>	<b>29,542</b>	<b>27,655</b>

## Reconciliation of assets

	31 July 2024 £'000	31 July 2023 £'000
Assets at start of year	29,892	28,287
Expected return on assets	1,545	1,009
Contributions by members	425	374
Contributions by the employer	1,618	1,336
Contributions in respect of unfunded benefits	7	6
Actuarial gain / (loss)	1,120	(524)
Estimated unfunded benefits paid	(7)	(6)
Estimated benefits paid	(640)	(590)
<b>Assets at end of year</b>	<b>33,960</b>	<b>29,892</b>

## History of Experience gains and losses

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Difference between the expected and actual return on assets	2,535	8,990	19,598	(1,302)	(3,412)
% of assets at end of the year	7.5%	30.1%	69.3%	(4.9)%	(16.0)%

	2024 £'000	2023 £'000	2022 £'000	2021 £'000	2020 £'000
Experience gains and losses on scheme liabilities	(941)	(5,107)	(1,668)	(479)	(1,016)
% of liabilities at end of the year	(3.2%)	(18.5%)	(5.4%)	(1.1)%	(2.8)%

## Sensitivity Analysis

Change in assumptions at year ended 31 July 2024	Approximate % increase to Employer liability	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	669
1 year increase in member life expectancy	4%	1,182
0.1% increase in the Salary Increase Rate	0%	19
0.1% increase in the Pension Increase Rate	2%	663

The pension cost of £1,311,204 (2023: £1,334,248) is assessed in accordance with the advice of an independent qualified actuary, and is based on a current contribution rate of 24.4% and a deficit contribution rate of £0 per annum. Such actuarial advice indicates that the employer contributions for the year ended 31 July 2025 are expected to be around £1,715,000.

## The total pension cost for the University in the year was:

	2024 £'000	2023 £'000
Contributions to TPS	1,311	1,126
Contributions to LGPS	1,617	1,334
LGPS FRS102.28 (credit) / charge to the I&E account	(462)	279
<b>Total pension cost (Note 9)</b>	<b>2,466</b>	<b>2,739</b>



## **Virgin Media Court Case**

In June 2023, a High Court judgement in the case of Virgin Media vs NTL Pension Trustees II Limited provided a ruling related to Section 37 of the Pension Scheme Act 1993 and changes to scheme rules. The judgement confirmed that without a valid "Section 37" confirmation from the Scheme Actuary any changes could be deemed as null and void. This judgement was upheld at appeal in July 2024. The judgement could have significant ramifications for contracted-out defined benefit pension schemes. No allowance has been made in respect of this within the financial statements until further clarification is available. The University will continue to monitor any implications from this case during 2024/25 and beyond as appropriate.

## **26. Contingent liabilities**

### **Nomination agreement**

The University has entered into an arrangement with MPS Property GP Limited for the supply of additional student accommodation at a building in Norwich city centre, which has 228 beds. The building is owned by Coal Pension Properties Limited and managed by Derwent Facilities Management Limited. The University has a nominations agreement in place such that it guarantees a minimum payment to the owners each year, with a payment only being due in the event that this guaranteed minimum amount is not fully covered by rental income receipts. The University sets the rental amounts each year and therefore in normal operating conditions, it is unlikely that such a shortfall would arise. The guaranteed minimum payment in the financial year ending 31 July 2024 was £1,590,470. (31 July 2023 - £1,590,470).

## 27. Related party transactions

### Subsidiary undertaking

<b>Company</b>	<b>Principal Activity</b>	<b>Status</b>
Norwich University of the Arts Enterprises Limited	Education services and other related commercial activities	100% owned

### Connected Charitable Institutions

There are no connected charitable institutions requiring disclosure.

### Transactions with related parties

The following transactions took place during the year:

<b>Related Party</b>	<b>Relationship</b>	<b>Description of transactions</b>	<b>Income (£)</b>	<b>Expenditure (£)</b>
NUA Students' Union	Mr R Lee was the Students' Union President and a governor of the University. Mr D Dwyer is the Students' Union President and a governor of the University. Ms A Beckett, who is Pro Vice-Chancellor (Student Experience) & Academic Registrar at the University is on the Students' Union Advisory Board.	Recharge of costs and annual grant	-	426,220
PriceWaterhouse Coopers (PWC)	Mr A Grimbley is a partner at PWC and was a governor of the University	Corporation tax fees in the group	-	21,950
R G Carter Limited	Mr M Jeffries is a non-executive director of R G Carter Holdings Limited and a governor of the University	Hire of facilities  Construction services	1,000  -	-  493,674
New Anglia Local Enterprise Partnership	Mr M Jeffries is an independent Chair of the Remuneration Committee for the partnership and a governor of the University. Ms S Steed who is the Director of Knowledge Exchange and Employability at the University is a Director on a number of the partnership's sub boards and Chair of the Creative Sector Group	Grant	3,825	-
Wysing Arts Charity	Ms C Bray is a trustee of Wysing Arts Charity and a governor of the University.	Workshop expenses	-	71
The Forum Trust	Prof. S Ofield-Kerr who is Vice-Chancellor of the University is a trustee of The Forum Trust.	Facilities hire Sponsorship	-	12,340
Theatre Royal (Norwich) Trust	Mr T Wilson is a trustee of the Theatre Royal and a governor of the University	Hiring of space & ticket purchases	-	2,640
Royal Television Society	Mr L Wells who is course leader and governor of the University is a RTS East Committee Member	Membership & ticket purchases	-	234

The following balances were outstanding at the year-end:

<b>Related Party</b>	<b>Relationship</b>	<b>Description of balances</b>	<b>Debtor</b>	<b>Creditor</b>
R G Carter Limited	Mr M Jeffries is a non-executive director of R G Carter Holdings Limited and a governor of the University	Construction services	-	85,430
The Forum Trust	Prof. S Ofield-Kerr who is Vice-Chancellor of the University is a trustee of The Forum Trust.	Sponsorship	-	10,000
PriceWaterhouse Cooper (PWC)	Mr A Grimby is a partner at PWC and was a governor of the University	Corporation tax fees in the group	-	16,200
Theatre Royal (Norwich) Trust	Mr T Wilson is a trustee of the Theatre Royal and a governor of the University	Hiring of space & ticket purchases	-	2,237