

Newman University College



University College
Birmingham

Reports and Financial Statements For the Year Ended 31 July 2012

Registered Charity Number: 1110346
Registered Company Number: 05493384

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NEWMAN UNIVERSITY COLLEGE

CONSTITUTION

The conduct of the University College's affairs during the year is governed by an Instrument and

company limited by guarantee (Charity No. 1110346).

Governors and their interests

The Governors serving during the year to 31 July 2012 and up to the date of approval of these

PRINCIPAL ADDRESS

Newman University College
Genners Lane
Bartley Green
Birmingham
B32 3NT

PRINCIPAL & CHIEF EXECUTIVE

Dr G. P. D. ...

CLERK TO THE GOVERNORS

Ms H C Somerfield

BANKERS

REPORT OF THE GOVERNORS

The Board of Governors are pleased to present their report and the accounts of the University College for the year ended 31 July 2012.

PRINCIPAL ACTIVITY

The principal activity of the University College in the year under review was the provision of high quality foundation, undergraduate and postgraduate degree level courses. These programmes were offered through the two schools of the University College.

general guidance on public benefit.

OPERATING AND FINANCIAL REVIEW

Introduction

Newman University College is named after The Blessed John Henry Newman (1801-90). His own journey of mind and heart, across the 19th century, engaged him with all the great issues, political, social and religious, of his day and provoked him to give a fresh reading of the meaning and

2012 highlights that for 'Overall Satisfaction' Newman scored 2% higher than the national average at 87%, a very positive increase of 6% for Newman compared to last year.

Newman continues to develop and improve its campus and facilities for students. Newman's redevelopment plan is well underway with the opening of the new £20m library and launch of the much anticipated Children, Young People and Families Research Centre. 2012 also saw work

experience in establishing Newman's Human Performance Lab providing Sports students with state

The University College's total income in 2011/12 of £20,795 million has decreased by 2.6% on the previous year. The decrease in income reflects the economic changes that have occurred over recent

years, with public spending cuts and continued restrictions on student recruitment.

The context for higher education

Newman University College makes a regular assessment of the risk factors in the external

The current financial climate continues to pose a material risk to even the most effectively run institutions. Newman has taken a prudent approach to the management of its finances, and the

Interest rate risk

~~Interest-bearing assets comprise cash and bank deposits, all of which earn interest at fixed and~~

floating rates. The University College currently has no debt, and as such bears no interest rate risk, although going forward, Governors will monitor the overall level of borrowings and interest costs to

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The key strands of the strategic plan are: institutional sustainability, internationalisation, the formative student experience, research, scholarship and enterprise, and engagement with the community and region.

Newman secured planning permission for a £20 million transformational development of the campus.

construction of a new, high profile library and entrance building that will provide an inspirational

CORPORATE GOVERNANCE

Throughout the year ended 31 July 2012, the University College has been in compliance with all the code provisions set out in Section 1 of the Combined Code on Corporate Governance insofar as they relate to university colleges.

Newman University College is an independent Roman Catholic college which was granted taught status by the Privy Council in 2007. The Privy Council subsequently approved

amendments to the Memorandum and Articles of Association including the change of name to

for England (HEFCE) as they affect the University College's business and monitors adherence to the regulatory requirements. It reviews the University College's annual financial statements, together with the accounting policies. The Principal, Director of Finance and the Clerk to the Governors attend all meetings of the Audit Committee, but they are not members of the Committee; the Committee meets with the internal and external auditors on their own for independent discussions at every meeting.

The role of the Nominations Committee is to seek out nominees for new membership of the Board of Governors and its committees taking into account the balance of skills, experience and diversity of the Board.

The Estates Committee has been established to monitor the University College's Estates strategy and

Human Resources. The Personnel Committee determines the compensation of the most

senior staff, including the Principal.

RESPONSIBILITIES OF THE GOVERNORS

In accordance with the University College's Instrument and Articles of Government, the Governors are responsible for the administration and management of the affairs of the University College and are required to present audited financial statements for each financial year.

The Governors have approved the following financial statements for the year ended 31 July 2012:

1. The Statement of Financial Position as at 31 July 2012

2. The Statement of Financial Flows for the year ended 31 July 2012

3. The Statement of Financial Flows for the year ended 31 July 2012

4. The Statement of Financial Flows for the year ended 31 July 2012

5. The Statement of Financial Flows for the year ended 31 July 2012

6. The Statement of Financial Flows for the year ended 31 July 2012

7. The Statement of Financial Flows for the year ended 31 July 2012

8. The Statement of Financial Flows for the year ended 31 July 2012

9. The Statement of Financial Flows for the year ended 31 July 2012

10. The Statement of Financial Flows for the year ended 31 July 2012

11. The Statement of Financial Flows for the year ended 31 July 2012

12. The Statement of Financial Flows for the year ended 31 July 2012

13. The Statement of Financial Flows for the year ended 31 July 2012

14. The Statement of Financial Flows for the year ended 31 July 2012

15. The Statement of Financial Flows for the year ended 31 July 2012

16. The Statement of Financial Flows for the year ended 31 July 2012

17. The Statement of Financial Flows for the year ended 31 July 2012

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26. The Statement of Financial Flows for the year ended 31 July 2012

27. The Statement of Financial Flows for the year ended 31 July 2012

28. The Statement of Financial Flows for the year ended 31 July 2012

29. The Statement of Financial Flows for the year ended 31 July 2012

30. The Statement of Financial Flows for the year ended 31 July 2012

31. The Statement of Financial Flows for the year ended 31 July 2012

32. The Statement of Financial Flows for the year ended 31 July 2012

33. The Statement of Financial Flows for the year ended 31 July 2012

34. The Statement of Financial Flows for the year ended 31 July 2012

35. The Statement of Financial Flows for the year ended 31 July 2012

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42. The Statement of Financial Flows for the year ended 31 July 2012

43. The Statement of Financial Flows for the year ended 31 July 2012

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49. The Statement of Financial Flows for the year ended 31 July 2012

50. The Statement of Financial Flows for the year ended 31 July 2012

51. The Statement of Financial Flows for the year ended 31 July 2012

52. The Statement of Financial Flows for the year ended 31 July 2012

53. The Statement of Financial Flows for the year ended 31 July 2012

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic subject areas and administrative departments;

- a comprehensive medium and short-term planning process, supplemented by detailed annual

- regular reviews of key performance indicators and business risks, and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body;
- comprehensive financial regulations, detailing financial controls and procedures, approved by the

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF NEWMAN UNIVERSITY COLLEGE

We have audited the financial statements of Newman University College ('the University College') for the year ended 31 July 2012, which comprise the statement of principal accounting policies, the

income and expenditure account, the statement of total recognized gains and losses, the statement of historical cost surpluses and deficits, the balance sheets, the cash flow statement and the related

notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

have been prepared in accordance with United Kingdom Generally Accepted Accounting

Practice and the 2007 Statement of Recommended Practice: Accounting for Further and Higher

Education and

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

OPINION ON OTHER MATTERS

In all material respects:

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. STATEMENT OF ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with the items which are

[REDACTED]

... obligations are treated as finance charges which are

amortised over the lease term to give a constant rate of charge on the remaining balance of the

obligations.

8. TANGIBLE FIXED ASSETS

(a) Land and buildings

Land and buildings at 1 August 1993 are stated at a valuation at that date. Additions since

(a) SEPS and NUPS

SEPS and NUPS are defined contribution schemes. The assets of the scheme are held independently. Contributions are charged to the Income and Expenditure accounts at they become payable in accordance with the rules of the scheme.

(b) TPS

TPS is a defined contribution scheme. Contributions to the TPS are charged to the

income and expenditure accounts to cover the cost of pensions over employees' working lives with

INCOME AND EXPENDITURE ACCOUNT

| | <u>Notes</u> | <u>2012</u> £ | <u>2011</u> £ |
|--|--------------|-------------------|-------------------|
| INCOME | | | |
| Funding Council Grants | 1 | 10,989,673 | 11,169,379 |
| Tuition Fees and Education Contracts | 2 | 7,705,337 | 7,600,518 |
| Research Grants and Contracts | 3 | 206,055 | 275,091 |
| Other Operating Income | 4 | 1,817,855 | 2,171,769 |
| Interest Receivable | | 76,616 | 135,428 |
| Total Income | | <u>20,795,536</u> | <u>21,352,185</u> |
| EXPENDITURE | | | |
| Staff Costs | 5 | 11,984,890 | 12,646,116 |
| Other Operating Expenses | 6 | 6,818,318 | 6,857,241 |
| Depreciation | 7 | 843,038 | 512,180 |
| Total Expenditure | | <u>19,646,246</u> | <u>20,015,537</u> |
| SURPLUS FOR THE YEAR ON CONTINUING OPERATIONS | | <u>1,149,290</u> | <u>1,336,648</u> |

STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

| | <u>Notes</u> | <u>2012</u> £ | <u>2011</u> £ |
|---|--------------|------------------|------------------|
| Surplus on continuing operations | | 1,149,290 | 1,336,648 |
| Total recognised gains relative to the period | | <u>1,149,290</u> | <u>1,336,648</u> |

Reconciliation

| | | | |
|-------------------------------------|--|-------------------|-------------------|
| Opening reserves | | 21,648,228 | 20,311,580 |
| Total recognised gains for the year | | 1,149,290 | 1,336,648 |
| Carrying amount | | <u>22,797,518</u> | <u>21,648,228</u> |

BALANCE SHEET

| | Notes | 2012 | 2011 |
|-----------------------|-------|------------|------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible Fixed Assets | 7 | 25,097,304 | 19,457,836 |
| Investments | 8 | <u>2</u> | <u>2</u> |
| | | 25,097,306 | 19,457,838 |

CURRENT ASSETS

| | | | |
|--------|--|--------|--------|
| Stocks | | 23,233 | 16,886 |
|--------|--|--------|--------|

| | | | |
|--------------------------|--|-----------|-----------|
| Short Term Deposits | | 3,900,000 | 9,500,000 |
| Cash at Bank and in Hand | | 518,078 | 1,111,872 |

| | | | |
|--|--|------------------|-------------------|
| | | <u>4,802,708</u> | <u>10,973,758</u> |
|--|--|------------------|-------------------|

CREDITORS: Amounts falling

| | | | |
|---------------------------|--|------------------|------------------|
| NET CURRENT ASSETS | | <u>1,263,833</u> | <u>6,095,161</u> |
|---------------------------|--|------------------|------------------|

| | | | |
|--|--|------------|------------|
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 26,361,139 | 25,552,999 |
|--|--|------------|------------|

| | | | |
|---|----|-----------|-----------|
| CREDITORS: Amounts falling due after more than one year | 10 | (150,000) | (150,000) |
|---|----|-----------|-----------|

PROVISIONS FOR LIABILITIES

| | | | |
|--------------------|----|-----------|-----------|
| AND CHARGES | 11 | (151,474) | (299,403) |
|--------------------|----|-----------|-----------|

| | <u>Notes</u> | <u>2012</u> £ | <u>2011</u> £ |
|---|--------------|------------------|------------------|
| Net Cash Inflow from Operating Activities | 16a | 172,424 | 3,173,540 |
| Returns on Investments and Servicing of Finance | 16b | 76,616 | 135,428 |
| Capital Expenditure and Financial Investment | 16c | (6,482,507) | (6,424,010) |
| Cash Outflow before Use of Liquid Resources and Financing | 16d | (6,233,467) | (3,115,042) |
| Management of Liquid Resources | | 5,600,000 | 3,750,000 |
| <u>(Decrease)/Increase in Cash</u> | <u>16d</u> | <u>(623,467)</u> | <u>624,050</u> |

NOTES TO THE ACCOUNTS

1. TDA & HEFCE GRANTS

| | <u>2012</u> | <u>2011</u> |
|--------------------------------|-------------|-------------|
| | £ | £ |
| HEFCE Recurrent Grant | 5,498,291 | 5,714,392 |
| HEFCE Recurrent Research Grant | 42,303 | 51,511 |
| HEFCE Other Grants | 62,611 | 204,727 |

| | | |
|----------------------------------|-------------------|-------------------|
| TDA Recurrent Grant | 4,031,850 | 4,047,110 |
| TDA Other Grants | 1,120,671 | 953,135 |
| Deferred Capital Grants Released | 233,947 | 198,504 |
| | <u>10,989,673</u> | <u>11,169,379</u> |

2. TUITION FEES AND EDUCATION CONTRACTS

| | | |
|---------------------------|-----------|-----------|
| UK Full-time Students | 6,630,141 | 6,651,341 |
| Non UK Full-time Students | 37,975 | 32,900 |
| UK Part-time Students | 997,462 | 890,167 |

| | | |
|----------------------|------------------|------------------|
| Other Fees & Charges | 32,709 | 15,485 |
| | <u>7,705,337</u> | <u>7,600,518</u> |

3. RESEARCH GRANTS & CONTRACTS

| | | |
|-----------------|----------------|----------------|
| Research Grants | <u>206,055</u> | <u>275,091</u> |
|-----------------|----------------|----------------|

4. OTHER OPERATING INCOME

| | | |
|-------------------------|------------------|------------------|
| Residences and Catering | 1,077,480 | 1,000,170 |
| Other Income | 740,375 | 1,171,599 |
| | <u>1,817,855</u> | <u>2,171,769</u> |

the year 2011. The total expenses paid to or on behalf of the governors was £810 (2011:

£727). This represents travel and subsistence expenses incurred with respect to attendance at governor meetings and also expenses incurred with respect to the provision of relevant continuing professional development for governors.

8. INVESTMENTS

The University College holds 100% of the share capital of Newman Firmtrust Limited at a cost of £2 (2011: £2), which is a trading company that is incorporated and registered in England and Wales.

The principal trading activities of the company are the provision of conference and other facilities at

Newman University College. The company was dormant during the year ended 31 July 2012.

The following is a summary of financial information in respect of the subsidiary at 31 July 2012:

| | <u>2012</u> | <u>2011</u> |
|----------------------|-------------|-------------|
| | £ | £ |
| Capital and reserves | (1 084) | (1 084) |

PROVISION FOR LIABILITIES AND CHARGES

| | Enhanced Pensions | Other Provisions | Total |
|--|----------------------|---------------------|------------------|
| | £ | £ | £ |
| At 1 August | 119,403 | 180,000 | 299,403 |
| Transfer from Income and Expenditure Account | <u>(9,769)</u> | <u>(138,160)</u> | <u>(147,929)</u> |
| At 31 July | <u>109,634</u> | <u>41,840</u> | <u>151,474</u> |

Other Provisions include costs associated institutional restructuring

17. STUDENT NUMBERS

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

| | <u>2012</u> | <u>2011</u> |
|-----------|---------------------|---------------------|
| Full-time | 2,090 | 2,105 |
| Part-time | <u>1,062</u> | <u>1,007</u> |
| | <u><u>3,152</u></u> | <u><u>3,112</u></u> |

18. ACCESS TO LEARNING FUND

| | <u>2012</u> | <u>2011</u> |
|----------------------------|-----------------|-----------------|
| | £ | £ |
| Balance at 1 August | - | 3,092 |
| Net Funding Council Grants | 109,033 | 113,795 |
| Disbursed to Students | (111,503) | (130,930) |
| Administrative costs | <u>2,470</u> | <u>14,043</u> |
| Balance at 31 July | <u><u>-</u></u> | <u><u>-</u></u> |

19. PENSION SCHEMES

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

Latest actuarial valuation 31 March 2004

Actuarial method: project benefits

Investment returns per annum 6.5% per annum

Salary scale increases per annum 5.0% per annum

Representation of members/ assumed benefits covered by the national scheme of the reports 00 000/