



**NEWMAN UNIVERSITY**

**Reports and Financial Statements  
For the Year Ended  
31 July 2020**

**Registered Charity Number: 1110346**  
**Registered Company Number: 05493384**

**Reports and Financial Statements for the Year Ended 31 July 2020**

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**NEWMAN UNIVERSITY**

**CONSTITUTION**

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

**PRINCIPAL ADDRESS**

Newman University  
Genners Lane  
Bartley Green  
Birmingham  
B32 3NF

**VICE CHANCELLOR**

Professor J Dunne (from 1 March 2020)

**ACTING VICE CHANCELLOR**

Professor P Childs (until 29 February 2020)

**BANKERS**

National Westminster Bank Plc  
Commercial Banking  
4th Floor; 2 St Philip's Place  
Birmingham  
B3 2RB

**SOLICITORS**

Mills & Reeve  
78 84 Colmore Row  
Birmingham  
B3 2AB

Shakespeare Martineau  
No 1 Colmore Square  
Birmingham  
B4 6AA

**AUDITORS**

(Internal) BDO LLP  
2 Snowhill  
Birmingham  
B4 6GA

(External) Grant Thornton UK LLP  
The Colmore Building  
20 Colmore Circus  
Birmingham  
B4 6AT



















## Reports and Financial Statements for the Year Ended 31 July 2020

The current Coronavirus pandemic has created a measure of uncertainty and risk to the University impacting both income and costs associated with maintaining a COVID secure campus. The health and well-being of the Newman community remains the priority of the University. The University has adhered to government advice and guidance throughout the pandemic. The operational and financial impact of the pandemic has been significant and we continue to develop our response to contain that impact.

Brexit poses a small risk to the University because of the awarding of European Grants and the impact of responses by other providers to any reductions in EU students. The University will continue to monitor the situation.

The University's operations expose it to a variety of financial risks including the effects of changes in credit risk and liquidity risk. The University does not have material exposures in any of the areas identified above and consequently does not use derivative instruments to manage these exposures. The University's principal financial instruments comprise sterling cash deposits and loan facilities together with debtors and creditors that arise directly from its operations.

### Credit risk

The University's principal financial assets are bank balances, cash and debtors, which represent the University's maximum exposure to credit risk in relation to financial assets.

The University's credit risks are primarily attributable to its debtors. Credit risk is managed by monitoring the aggregate amount and duration of exposure to any one debtor depending upon their credit risk. The University's operations are such that, with the exception of the Student Loans Company, significant amounts are very rarely owed by a single debtor. The amounts presented in the balance sheet are net of allowances for doubtful debts, estimated by the University's management based on prior experience and their assessment of the current economic environment.

The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies. The University has no significant concentration of credit risk, with exposure spread over a number of counter parties and customers.

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### Liquidity risk









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the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception

This approach has satisfied the Council that management, together with the internal and external audit services, have an appropriate process for identifying, evaluating and managing risk, together with appropriate staff training

During the year, the University has

considered risk at meetings of the University Leadership Team and the University Operations Team,

revised the fundamental risk register to provide further information on risks, controls and early warnings of changes in risk level;

reported to the Audit Committee at each meeting and annually at Council, on risk issues;

used the risk register to determine the direction of the internal audit plan;

**Reports and Financial Statements for the Year Ended 31 July 2020**

**Reports and Financial Statements for the Year Ended 31 July 2020****Disclosure of information to auditors**

At the date of making this report each of the University's Council Members, as set out on page 3 confirm the following

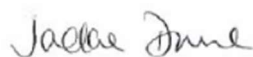
so far as each Council Member is aware, there is no relevant information needed by the University's auditors in connection with preparing their report of which the University's auditors are unaware, and

each Council Member has taken all the steps that they ought to have taken as a Member in order to make themselves aware of any relevant information needed by the University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information

Approved on behalf of the Council by:



**Mr Jonathan Day  
(Chair of the Council)**



**Professor Jackie Dunne (Vice-Chancellor/ Council Member)**

**Date of Approval: 25 November 2020**



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reference to a material uncertainty in this auditor's report is not a guarantee that the University will continue in operation

**Other information**

The council are responsible for the other information. The other information comprises the information included in the Reports and Financial Statements, set out on pages 5 to 39

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**Responsibilities of Council for the financial statements**



**6 RECOGNITION OF INCOME**

Income from the provision of services is credited to the Statement of Comprehensive Income and Expenditure when the services are supplied to the external customers or the terms of the contract have been satisfied

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period in which the students are studying

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction

Government Grants, including funding council block grant and research grants from government sources, and other grants and donations from non government sources, including research grants from non government sources, are recognised within the Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions is deferred on the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Capital Grants are recorded in income when the University is entitled to the income subject to any performance related condition being met.

Investment income is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

**7. EMPLOYMENT BENE ma**



**Reports and Financial Statements for the Year Ended 31 July 2020**



Reports and Financial Statements for the Year Ended 31 July 2020

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recoverable amount of any affected asset is estimated and compared to its carrying amount





## Reports and Financial Statements for the Year Ended 31 July 2020

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**BALANCE SHEET**

	<u>Notes</u>	Year ended 31 July 2020	£	Year ended 31 July 2019	£
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	<b>8</b>	<b>35,583,309</b>		<b>36,524,494</b>	
Investments	<b>10</b>	<u><b>2</b></u>		<u><b>2</b></u>	
		<b>35,583,311</b>		<b>36,524,496</b>	
<b>CURRENT ASSETS</b>					

## Reports and Financial Statements for the Year Ended 31 July 2020

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### STATEMENT OF CASHFLOWS

	<u>Notes</u>	<u>Year ended</u> <u>31 July 2020</u>	<u>Year ended</u> <u>31 July 2019</u>
		£	£
<b>Surplus on continuing operations</b>		<b>416,908</b>	<b>1,726,758</b>
<b>Adjustment for Non-Cash Items</b>			
Depreciation charges		1,280,105	1,247,507
(Increase)/decrease in stocks		(663)	(1,270)
(Increase)/decrease in debtors		(359,102)	(213,410)
Increase/(decrease) in creditors		134,388	(31,503)
(Decrease)/increase in provisions		(11,694)	(388,005)
<b>Adjustment for Investing and Financing Activities</b>			

Reports and Financial Statements for the Year Ended 31 July 2020

NOTES TO THE FINANCIAL STATEMENTS

1. FUNDING COUNCIL GRANTS

				Year ended 31 July 2020		Year ended 31 July 2019		
					£		£	
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**7. OTHER OPERATING EXPENSES**

	<u>Year ended</u> <u>31 July 2020</u>	<u>Year ended</u> <u>31 July 2019</u>
	£	£
<b>Other Operating Expenses include:</b>		
<b>External Auditors' Remuneration</b>		
in respect of audit services	21,125	21,125
in respect of non audit services	3,460	13,370
<b>Internal Audit</b>	19,089	17,148

**Access and Participation**

	<u>Year ended</u> <u>31 July 2020</u>
	£
<b>Access Investment</b>	319,000
<b>Financial Support</b>	45,000
<b>Support for Disabled Students</b>	239,000
<b>Research and Evaluation</b>	15,000



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**July 2020 when repaid in full. The terms of clawdown are 0.75% over LIBOR base rate, with a non utilization fee of 0.3%.**

**INCLUDED WITHIN THE ABOVE ARE AMOUNTS FALLING DUE AS FOLLOWS:-**

**Year ended**  
**31 July 2020**





