

NEWMAN UNIVERSITY

Reports and Financial Statements For the Year Ended 31 July 2021

Registered Charity Number: 1110346
Registered Company Number: 05493384

REPORT OF THE COUNCIL (INCORPORATING THE STRATEGIC REPORT)

The Council is pleased to present its report and the accounts of the University for the year ended 31 July 2021.

PRINCIPAL ACTIVITY

The principal activity of the University in the year under review was the provision of high-

Key financial performance indicators

7 K H 8 Q L Y H U V L W H A P O F O A N C E
When performance indicators are summarised as detailed below. Academic performance is more difficult to summarise in a simple indicator and therefore this is more fully reviewed in a later section of the operating and financial review. The University has broadly achieved its key performance indicators, the data for which is within the audited financial statements.

K

Supporting our students through to graduate level employment

The University aims to improve lives by equipping students with the skills and qualities that prepare them to go out into their communities and serve at every level. The world of work is changing rapidly, especially around the skill sets that employers want and value, so the University is developing more support and increasing our offer to students in order to meet their needs, as well as those of the employers and the wider labour market. In developing initiatives for the students, the University fully supports the 211LFH IRU 6WXGHQWRV P DNE LW URQZH GHOLYHU RQ WKH SURPL IRU VRFLDO PRELOLW\ DQG D JDWHZD\ WR D EHWWHU OLIH IRU WKRV

The University has developed a new Employability Strategy and has developed a set of actions to address that strategy in line with our core values and commitments. To support implementation, we have built an Employability Hub to support both students and local enterprises as well as create a welcoming space for employers within the wider West Midlands region.

The process for conducting and measuring employability recently changed, and the Graduate Outcomes 6XUYH\ *26 UHSRUWV RQ RoK Employability at Work with Career Graduation. The introduction of the GOS has provided the University with an opportunity to review and enhance its

In December 2020, Newman was successful in its application for funding to support the Early Years Career Progression Pathways (EYCPP) project. EYCPP is a £900,000 ESF funded project that supports Newman University and Birmingham City University partner with sector specialists West Smethwick (QWHUSULVH LQ DGGUHVVLQJ VRPH RI WKH FKDOOHQJHV IDFHG E\ WK

During 2021-22, we will continue to develop our offer for current and recent graduates as we seek to ensure that they are employable throughout their lives and are able to face the challenges of a constantly changing and evolving local, national and global labour market, within equally changing economic, social and cultural environments.

Supporting our students

Newman has a wide range of students from many faiths and backgrounds and over a third of students utilise the services provided by the Student Support Service. Students requiring a little extra support in navigating a new challenge, confronting a problem or learning new skills can get help. The wealth of support available to students includes the Academic Support Advice, Learning Development Support, support with dyslexia, physical or sensory disabilities, long term health issues, mental health or autism. Counselling support and welfare advice are also available. In recent years, a number of new systems have been introduced to support students to access these resources more effectively. A new signposting guide, a new intranet-based safeguarding reporting system and the introduction of a new intranet-based triage system are helping students with wellbeing concerns to be able to request an appointment quickly with a practitioner. The levels of support that we are able to give to our students are shown in the latest NSS figures (July 2021) with impressive results. Newman scored highly for assessment and feedback and organisation and management. Newman is first in England (of 125 universities) for the helpful comments on work given to students. We rank 7th in England for organisation and management of the course, and 6th for the way in which changes to courses have been communicated effectively. At a local level and for the second year running Newman has scored highest amongst the Birmingham Universities for student satisfaction.

Work on the campus has continued to develop to support our large numbers of commuter students. Improvements to the catering outlets, including offering students facilities to heat up their own food and the provision of chilled and hot water, enables students to bring their own food onto the campus and have comfortable social seating spaces in which to eat, as well as rebranding the Sanctuary Café to a more student friendly environment.

During 2020, Newman University signed the Care Leavers Covenant, an initiative established to improve support to young people aged 16-25 leaving care. The initiative aims to harness the expertise and resources of businesses, education providers and charities to ensure those leaving care have the necessary support and opportunities to succeed and thrive. The University also signed the Stand Alone Pledge in 2020, meaning we are publically committing to supporting students who are studying without the support or approval of a family network.

In supporting students with their learning and development, ensuring that students are attending lectures is known to help their understanding of the subject, ability to participate and development of an enquiring mind. A new initiative to PRQLWRU VWXGHQV Upr Development and QFH KD V implemented. The system allows students to log their attendance in class and provides the University with the corresponding student engagement data. A correlation has been found between attendance and student performance and the system helps staff to offer support at an early stage to students with a poor attendance record.

For over 10 years Newman University has been helping new students to adapt to the world of Higher Education through a programme called HEADs Data reports a clear positive correlation between HEADs participation and the likelihood of finishing studies with a first or upper class second. This work was developed and extended during 2018 to provide a HEADOnline, digital version of HEADstart with accessible materials and twilight learning opportunities.

Developing the academic portfolio to meet the needs of our prospective students. After a review of the academic portfolio in 2018, a number of new courses were introduced looking at the needs of our students, employment opportunities, and teaching. As a result of the review, some courses were consolidated, for example, undergraduate degrees in Sport. New courses were introduced in both faculties; these include LLB Law, BSc in Computer Science, Policing, and Social Work. A further strategic review of the portfolio in 2021 has resulted in the approval for the development of degrees in Nursing and Allied Health Professions, with recruitment to commence from September 2023.

Psychology and Counselling at Newman continue to offer a wide range of undergraduate and postgraduate programmes, a number of which are fully accredited by the relevant professional bodies: British Association for Counselling and Psychotherapy (BACP), British Psychological Society (BPS), and the UK Council for Counselling and Psychotherapy (UKCP).

Research

The gaining of research degree awarding powers (RDAP) is recognised as being of strategic importance. Newman University has applied for research degree awarding powers by 2023. All postgraduate research students enrolled for doctoral degrees with Newman during the year are also registered with Liverpool Hope University and will receive their award from them. It is intended that the partnership with Liverpool Hope University continues until Newman University gains its own research degree awarding powers. This year saw 15 students passing their vivas successfully.

COVID-19

The coronavirus continues to have significant impact on the operations of the University. The University adopted a hybrid delivery model during the summer term of 2020/21 and this has continued into the autumn term of 2021/22. This change has been successfully facilitated by the commitment of the whole University community.

The impacts of COVID-19 are likely to be felt for some time. These include impacts on student recruitment and associated ancillary income, as well as delivery in a COVID-secure environment.

The table below indicates

Principal risks and uncertainties

The Coronavirus pandemic continues to create 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

students, staff, suppliers, partners and the wider community. Decisions made by the Council are LQIRUPHG E\ WKH 8QLYHUVLW\¶V PLVVLRQ YLVLRQ 2025 Strategic Framework DOXHV D Framework. The Council approved and supports the 2020-2025 Strategic Framework. The six strategic objectives of the framework shape the decisions and actions of the Council and underline the aim of the University to achieve positive outcomes for all of its stakeholders.

1HZPDQ¶V &RXQFLO KDV D FOHDU IUDP HZRVHNSLNUGDH¶V approved LQJ WKH terms of reference for the matters delegated to its Committees and Academic Board. The Council agenda includes reports and presentations with regular updates on operational performance and on people matters. The Executi

The university conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and ensures all members of the executive and Council meet the definition of which the university ensures it maintains a high standard of business conduct can be found within the Corporate Governance section of our Operating and Financial Review.

The Context For Higher Education

Newman University makes a regular assessment of the risk factors in the external environment which may impact on the University; at the present time these are significant. 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 Council and Executive are in close contact with the University and its stakeholders.

As a student-centred University with strong Catholic values, Newman is committed to providing a values-driven, formative university education, available to people from all backgrounds. A fundamental part of Newman University is to provide a range of student support packages designed to provide assistance to a range of students, as well as a centre of excellence for widening participation and social mobility. In addition, the University will work to attract students from minority groups not currently engaged in higher education. The demand for programmes remains healthy and rigorous with professional orientation, will be attractive in the current climate.

Qualifying Third Party Indemnity Provisions

The University has taken steps to ensure that its indemnity provisions are compliant with the requirements of the Companies Act 2006 and are in place throughout the year ended 31 July 2021 and up to the date of approval of this report.

Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 485 of the Companies Act 2006.

The Report of the Council (incorporating the Strategic Report) was approved on behalf of the Council by:

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



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

Date of Approval: 24 November 2021

CORPORATE GOVERNANCE

This statement of Corporate Governance relates to the period covered by the financial statements and the period up to the date of approval. Newman University is an independent Roman Catholic institution which was granted taught degree awarding powers by the Privy Council in 2007 and full university status in 2013.

The University complies with the Higher Education Code of Governance that was re-issued by the Committee of University Chairs in September 2020. The University's Corporate Governance Framework, Articles of Association, comprises fourteen external independent Council Members. The Archbishop of Birmingham and the Vice-Chancellor are ex officio members and there are two Members who are staff of the University and one student Member elected by the student body. The roles of Chair and Vice-Chancellor are set out in the Articles of Association. The matters especially reserved to the Council for decision are set out in the Articles of Association. The Council, which holds to itself the responsibilities for the ongoing strategic direction of the University, the approval of major developments and the receipt of regular reports from the University Leadership Team on the day-to-day operations of its business, meets at least four times a year.

The Council has four main Committees: a Finance and General Purposes Committee, an Audit and Risk Committee, a Nominations and Governance Committee and a Remunerations Committee. The Committees meet at least three times a year, except for the Remunerations Committee which meets twice a year, and their decisions are formally reported to the Council. The Committees are formally constituted through the Standing Orders of the Council with terms of reference and comprise mainly of external members of the Council, one of whom is the Chair. University Council Members attend meetings regularly and this has ensured quoracy.

The Finance and General Purposes Committee monitors the University's financial performance against budgets and also monitors performance in relation to the budgets approved. The Remunerations Committee, chaired by the Chair of the Finance and General Purposes Committee, determines the remuneration of those members of the University Leadership Team who are appointed by the Council.

The Audit and Risk Committee meets with the external and internal auditors to discuss audit findings and to consider detailed internal audit reports and recommendations for the improvement of the University's internal controls. The Committee also monitors the University's adherence to the regulatory requirements, including ongoing OfS conditions of registration. It reviews the University's compliance with the requirements of the Higher Education Act 2012. The Vice-Chancellor is not a member of the Committee; the Committee meets with the internal and external auditors on their own for independent discussions annually.

The role of the Nominations and Governance Committee is to review the tenure of current members and seek out nominees for new membership of the Council and its committees, taking into account the balance of skills, experience and diversity of the Council. It also undertakes and operates the governance effectiveness assessment and considers and advises Council on Safeguarding matters.

As the University's governing body, Council has the ultimate responsibility for the governance of the University and its compliance with the ongoing conditions of registration with the Office for Students. The University's Articles of Association stipulate the establishment of a Senate that shall have such powers and duties as delegated to it by Council. Council has delegated the responsibility for the maintenance of academic quality and standards of the University's awards to Senate. These terms of reference prescribe the delegation of responsibility for such academic governance to Senate.

Senate draws its membership entirely from the staff and the students of the University. Following a review of the terms of reference of Senate, these were updated and approved by the Council in 2021. The formal relationship between the Senate and the Council is managed through reports presented to the Council at every meeting by the 3(k)4()12(ou)5(t)-2()12(n)4(omi)-14(n)4(e)-3(e)-3(s)24(f)-6(or)11(n)4(e)-3(w)-4(

STATEMENT OF RESPONSIBILITIES OF COUNCIL MEMBERS

The Council (the Members of which are also the directors of the University for the purposes of company law) is required to present audited financial statements for each financial year.

The Council (the Members of which are also the directors of the University for the purposes of company law) is required to present audited financial statements for each financial year.

Company law requires the Council to prepare financial statements for each financial year. Under that law, the Council is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) in addition, the Council is required to prepare the financial statements in accordance with the Office for higher education institutions (issued May 2020) through its accountable officer.

Under company law, the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University for that year.

In preparing the financial statements, the Council is required to:

- x select suitable accounting policies and then apply them consistently;
- x make judgements and accounting estimates that are reasonable and prudent;
- x state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- x prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in business.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the OfS Terms and conditions of funding for higher education institutions (issued May 2020), the Statement of Recommended Practice- Accounting for Further and Higher Education 2019 (issued October 2018 and any subsequent amendments), the OfS Accounts Direction (issued October 2019) and the Companies Act 2006. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of Council have taken reasonable steps to:

- x ensure that funds from the OfS are used only for the proper purposes for which they have been given and seek to achieve value for money in accordance with the OfS Terms and conditions of funding for higher education institutions (issued May 2020) and any other conditions which the funding body may from time to time prescribe;
- x ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- x ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- x ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;

- x ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS and other funding or regulatory bodies;
- x ensure an effective framework to manage the quality of learning and teaching and to maintain academic standards; and
- x consider a funding purposes.

The Council is responsible for the maintenance and integrity of the corporate and financial

Independent auditor's report to the Council of Newman University

Opinion

We have audited the financial statements of Newman University (the 'university') for the year ended 31 July 2021, which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the university's affairs as at 31 July 2021 and of its surplus, income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in October 2018; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable 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

We are responsible for assessing the university's ability to continue as a going concern, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the university's ability to continue as a going concern. We have identified no material uncertainties related to events or conditions that may cast significant doubt on the university's ability to continue as a going concern.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

W KH L Q I R U P D W L R Q J L Y H Q L Q W K H V W U D W H J L F U H S R U W D Q G W K H G L U H F
compan>6<0052>-3<0056>6<0048>-6<0056>6d to ee i>6<005dowc tn thto ee i>6<005do

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 misstatements. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/AuditorsResponsibilities. This description forms part of our audit report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- x We obtained an understanding of the legal and regulatory frameworks that are applicable to the University and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, the Companies Act 2006, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices, The Higher Education Code of Governance and The Data protection Act 2018;
- x We understood how the University is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of relevant committee minutes and through our legal and professional expenses review;
- x We identified and assessed the design effectiveness of certain controls management has in place to prevent and detect fraud. We challenged assumptions and judgements made by management in its significant accounting policies. We identified and tested journal entries, with a focus on unusual journals with specific risk characteristics and large value journals.

understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation

knowledge of the higher education sector

understanding of the legal and regulatory requirements specific to the University including:

the provisions of the applicable legislation

guidance issued by the OfS.

- x The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and

- x In assessing the potential risks of material misstatement, we obtained an understanding of:

WKH 8QLYHUVLW\¶V RSHUDWLRQV LQFOXGLQJ WKH QDWXUH RI LWV LQF

objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

the University's control environment, including: the policies and procedures implemented by the University to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.

the policies and procedures implemented by the University to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations

the adequacy of procedures for authorisation of transactions and review of management accounts

procedures to ensure that possible breaches of laws and regulations are appropriateET Q q 0 0 512 ()6 (p)6 (o3ho)-641.68 re

STATEMENT OF PRINCIP

(d) Depreciation

Depreciation is provided, on a straight-line basis, at the following annual rates in order to write off each asset over its estimated useful life, as shown

New Buildings	±	50 Years	(2% p.a.)
Internal Building Improvements	±	10 or 25 Years	(10% or 4% p.a.)
Furniture and Equipment	±	5 to 10 Years	(20% to 10% p.a.)
Telephone Equipment	±	5 Years	(20% p.a.)
Motor Vehicles	±	4 Years	(25% p.a.)
Computer Equipment	±	3 Years	(33 ¹ / ₃ % p.a.)

10. STOCKS

14. CASH FLOW STATEMENT

Cash flows comprise increases or decreases in cash. 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. No investments, however liquid, are included as cash.

15. PROVISIONS FOR LIABILITIES

Provisions (other than provisions for post-retirement benefits) are recognised when the University has a present legal or constructive obligation as a result of past events, it is more likely than not

STATEMENT OF CHANGES IN RESERVES

Year Ended 31 July 2021

	Income & Expenditure Reserve £	Revaluation Reserve £	Total £
Balance at 1 August 2019	29,655,838	6,652,675	36,308,513
Surplus for the year	416,908	-	416,908
Transfer between revaluation and income and expenditure reserve	147,397	(147,397)	-
Total Income for the Year	<u>564,305</u>	<u>(147,397)</u>	<u>416,908</u>
Balance at 1 August 2020	30,220,143	6,505,278	36,725,421
Surplus for the year	2,038,779	-	2,038,779
Transfer between revaluation and income and expenditure reserve	147,397	(147,397)	-
Balance at 31 July 2021	<u><u>32,406,319</u></u>	<u><u>6,357,881</u></u>	<u><u>38,764,200</u></u>

STATEMENT OF FINANCIAL POSITION

	<u>Notes</u>	Year ended 31 July 2021	Year ended 31 July 2020
		£	£
FIXED ASSETS			
Tangible Fixed Assets	7	34,748,838	35,583,309
Investment in subsidiary	9	<u>2</u>	<u>2</u>
		34,748,840	35,583,311

STATEMENT OF CASH FLOWS

	<u>Notes</u>	<u>Year ended</u> <u>31 July 2021</u>	<u>Year ended</u> <u>31 July 2020</u>
		£	£
Surplus on continuing operations		2,038,779	416,908
Adjustment for Non -Cash Items			
Depreciation charges		1,272,070	1,280,105
(Increase)/decrease in stocks		2,591	(6,634)
(Increase)/decrease in debtors		(135,040)	(359,102)
Increase/(decrease) in creditors		150,904	134,388
(Decrease)/increase in provisions		(11,844)	(11,694)
Adjustment for Investing and Financing Activities			
Investment Income		(5,033)	(26,695)
Interest Payable		131,952	143,929
Capital Grant Income		(181,426)	(78,806)
Net Cash Inflow from Operating Activities		<u>3,262,953</u>	<u>1,492,399</u>
Cash flows from Investing Activities			
Capital Grant Receipts		181,426	78,806
Withdrawal of Deposits		-	2,554,287
Investment Income		5,033	26,695
Payments made to acquire fixed assets		(437,599)	(338,920)
New Deposits		(2,500,000)	-
Net Cash flows from Investing Activities		<u>(2,751,140)</u>	<u>2,320,868</u>
Cash flows from Financing Activities			
Interest Paid		(131,952)	(143,929)
Repayments of Amounts borrowed		(145,834)	(83,334)

travel and subsistence expenses incurred

17. CONTINGENT LIABILITY

Exchequer interests (representing the contributions made by OfS towards the construction and refurbishment of University buildings) amounted to £1,585,025 as at 31 July 2021. Exchequer interests are amortised over 10-15 years and are repayable only in the event of insolvency or a significant reduction in the level of publically funded activity.

In the event of a substantial change in the mission of the University to the effect that the University is no longer concerned with the provision of education as a Catholic institution, the University may be liable to pay an amount to the Catholic Education Service of up to 25% of the value of the premises. It is not possible to quantify the amount of the contingent liability.

18. STUDENT NUMBERS

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

	<u>2021</u>	<u>2020</u>
Full-time	2,223	2,145
Part-time	<u>620</u>	<u>648</u>
	<u><u>2,843</u></u>	<u><u>2,793</u></u>

19. PENSION SCHEMES

The three pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) Aviva Pension scheme (APS) and National Employment Savings Trust (NEST). The assets of the schemes are held in separate administered funds.

Total pension cost for the year	<u>Year ended</u> <u>31 July 2021</u>	<u>Year ended</u> <u>31 July 2020</u>
	£	£
7 H D F K H U V 1 3 H Q 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100	1,366,670	1,515,088
Aviva Pension Scheme: employer contributions paid	605,275	615,050
NEST employer contributions paid	<u>2,811</u>	<u>2,919</u>
Total Pension Cost for Year	<u><u>1,974,756</u></u>	<u><u>2,133,057</u></u>

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 which produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the HM Treasury in March 2016. The new results of the valuation and the subsequent consultation are:

- employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% levy for administration);
- total scheme liabilities for service to the effective date of £ 218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £ 22 billion;
- an employer cost cap of 7.3% of pensionable pay will be applied to future valuations

The new employer contribution rate for the TPS was implemented in September 2019.

