



University of
Salford
MANCHESTER

INTEGRATED REPORT 2023

Financial Statements for the
year ended 31 July 2023



Become **Unstoppable**

WHAT WE DO

We exist to advance education and knowledge by teaching and research, and in doing so to foster an academic environment which is enterprising and applied to business and the professions, for the benefit of society at large. We do this by delivering learning experiences that prepare students for life, research that tackles environmental, social and health issues affecting daily living, and collaborating with partners to apply our expertise across a wide range of businesses.

This 2022/23 annual report reflects developments for our University as we say farewell to Vice-Chancellor Professor Helen Marshall and welcome Professor Nic Beech. Our leader has changed but our direction has not. In this first year of our refreshed **corporate strategy**, our focus is firmly on building the exceptional industry partnerships that are driving the success of our University. To achieve our ambition to be a top 50 UK university by 2026/27 for our teaching and research, we need new approaches to encourage diverse perspectives that better support everyone in our University community to be successful.

The world around us continues to ask searching questions of the higher education sector, our business model and ambitions, and our ability to create value for our stakeholders. Our strategy 2022-2027 is helping us to not only answer those questions but to **thrive and adapt** with confidence to meet the challenges of an increasingly unpredictable environment.

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HIGHLIGHTS OF THE YEAR



A landmark moment as the new Science Engineering and Environment Building opened its doors to students and staff at the beginning of the new academic year.

We partnered with The Gittins Family Charitable Trust to launch scholarships for female students in engineering and male students in nursing from low income backgrounds. The Gittins Trust is a charity focussed on supporting students in engineering, manufacturing and health work.

Greater Manchester Combined Authority (GMCA) awarded a £1.2 million contract to the University to launch the Allies in Cancer Care training programme, which is part of the three-year Skills for Growth programme and has been made possible through the European Social Fund.



Professor Jackie Kay CBE, the former Chancellor of the University and our long-term Writer in Residence, joined the School of Arts, Media and Creative Technology as its Professor of Creative Writing.

The Centre for Medical Imaging, a new £2.87 million facility creating a world-class environment for teaching, learning, research, and clinical provision, opened. Parts of the facility will also be used to help us provide clinical services in partnership with NHS Trusts across the Greater Manchester region, meaning we can help support the NHS and provide our students with real-world experience right here on campus.



Established experts and rising research stars were recognised at our inaugural Celebration of Innovation.



Her Royal Highness The Princess Royal joined student entrepreneurs at the Young Enterprise UK Start-Up Final, hosted by the University of Salford Business School. During her visit, The Princess Royal met with the next generation of pioneering business leaders who are creating ground-breaking concepts that will be instrumental in supporting the UK's goal of becoming a global hub for innovation.

Vice-Chancellor Professor Helen Marshall, was made an Officer of the Order of the British Empire (OBE) in King Charles' 2023 Birthday Honours list for services to Higher Education.

Salford Business School launched the Centre for Sustainable Innovation. With a focus on net zero, productivity and change management, and digital transformation, the Centre will lead on large projects while also providing collaboration spaces for working with external stakeholders.

OUR UNIVERSITY

Our four Schools; covering areas of the arts, media, creative technologies, business, health, society, science, engineering and the environment, are the engine room of our University. Through their expert and industry-informed insight they provide our students and graduates with the necessary skills, experience, social capital, civic engagement, confidence and resilience to improve the lives of local and global communities. Their researchers tackle issues across: environmental change; the need to move to a sustainable model for the economy; achieving net zero; technological transformation; political splintering; conflict; security; maintaining and improving social cohesion and human connection; and meeting increasing physical and mental health needs.

Our Schools are home to dedicated and talented colleagues and students, who can claim the following fantastic achievements:

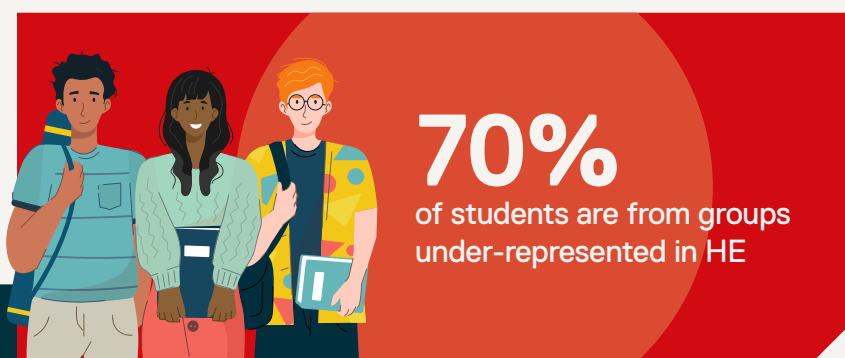
- ✓ Top 10 subject ranking for Social Work and Radiography and Top 20 subject ranking for Architecture, Bioengineering and Biomedical Engineering and Building in The Times Good University Guide 2024;
- ✓ Fourth largest provider of Nursing and Midwifery bachelor's degrees and fifth largest provider of Allied & Public Health bachelor's degrees in England;
- ✓ Arts and media students received several external awards including 11 out of 16 nominations at the 2023 Royal Television Society North West Student Television Awards for the student categories;
- ✓ Developing significant research assets with Energy House, North of England Robotics Innovation Centre and Ignition Living Laboratory;

- ✓ Supported the success of the Greater Manchester economy through the SME Help to Grow programme delivered by our Business School;
- ✓ Top two quintile placing in five out of seven knowledge exchange categories in the latest Knowledge Exchange Framework.

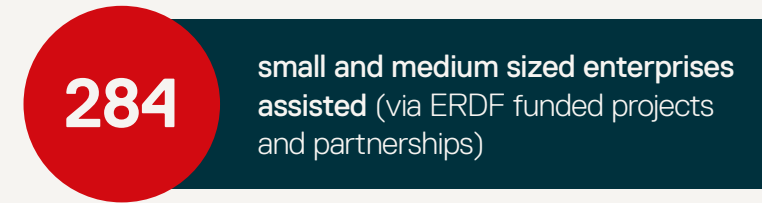
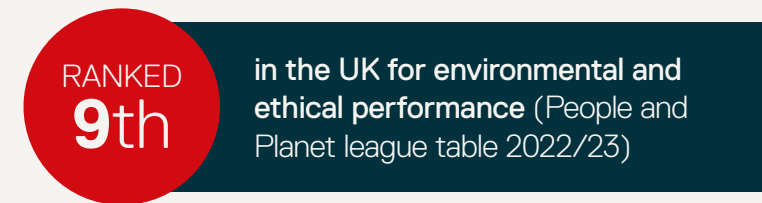
Our professional services teams enhance student learning, from academic and study support to hands-on technical instruction and specialist services. They also facilitate high impact research, manage relationships with partners and customers, and provide the expertise that keep our activities running.

The University of Salford works in partnership with the University of Salford Students' Union (USSU) who represent 26,000 students studying at our Salford campus, advocates in their interests and works with us to remove barriers to learning and success. Collaboration with the USSU is instrumental to the achievement of our strategic ambitions and we value their expertise in informing, shaping and leading on activities that improve the Salford student experience.

OUR COMMUNITY



OUR IMPACT



OUR LEADERSHIP



**LORD KEITH BRADLEY,
CHAIR OF COUNCIL**

It is extremely challenging to truly capture and reflect on the impact that Helen has had on the University since she joined us in November 2013 firstly as Deputy Vice-Chancellor and then subsequently, since April 2015 as Vice-Chancellor. Her leadership, vision, tenacity and integrity have led to many notable achievements in her time at Salford.

From the outset Helen reminded us about the vision our forebears had in creating an institution that was focussed on providing a talented, technically qualified workforce that could drive productivity and competitiveness in the businesses that surrounded us at the end of the 19th Century. Today the industries have changed beyond recognition but the need for a skilled and talented workforce driving productivity and competitiveness on a world stage is obvious for all to see.

Helen decided on a strategy of controlled growth and diversification of our educational provision, informed by evidence of market opportunities.

As a result of this strategy Salford has been one of the fastest growing universities in the North West and nationally. Over the last five years we have achieved 24% growth in our core population of full-time on-campus learners, through both recruitment and increased cohort completion.

Today Salford is a university that is proactively developing the pipeline of talent that is needed both by our region and on a national level. Our diversification into higher technical qualifications and apprenticeships is enabling us to bridge the gaps that employers have in higher level skills. Our successful

bid to create the Greater Manchester Institute of Technology will enable us and our partners to significantly expand opportunities to learners, employees and business to meet demand in the key areas of construction, engineering, health and digital skills.

At a time with some reports suggesting that 1 in 3 universities have significant financial challenges, Helen's strategy of growth and portfolio diversification has enabled the University to successfully create a more sustainable financial model and greater financial resilience.

Over the last eight years the University's income has increased by £88 million (or 49%) from £180 million to £268 million, creating financial surpluses which we use to reinvest in the campus and the student experience. This is in stark contrast to the sector.

Notwithstanding the development of a strategy and all her planning to deliver it, dealing with the unexpected is when Helen's leadership qualities shine bright. Whether that is in responding to changes in Government policies, new regulations from the Office for Students (OfS) or crucially ensuring student and staff welfare during the unprecedented crisis wrought by the pandemic, Helen has led the institution through this uncertainty with a calm and authoritative voice.

Being a Vice-Chancellor is relentless, it is all consuming and Helen has been an exceptional Vice-Chancellor, leader and friend. I would like to put on record a very public 'thank you' for her service to this institution.

I turn now to introducing Professor Nic Beech who took on the role of Vice-Chancellor of the University of Salford on October 1st 2023. The search for a successor to Helen Marshall was extensive and detailed and it was Nic's vision, values and compassion that impressed the selection panel.

As an experienced leader in the sector with an accomplished academic record and extensive engagement with both professional and sector bodies, he brings a wealth of knowledge and expertise to the University. His commitment to driving positive change and his ability to inspire others was evident throughout the selection process. I am confident that Nic's strategic thinking and strong communication skills will enable him to effectively build on our strengths and continue to make a significant impact in the sector. I am delighted that he has joined us to lead the next stage of the University's journey.



**PROFESSOR
HELEN MARSHALL**

It is with immense pride and a touch of sadness that I say goodbye to everyone at the University of Salford. Asked to reflect on my time here I have found it difficult to sum up my eight and a half years as Vice-Chancellor. This is a large, complex, nearly £270-million income organisation which I have led during a period of profound social, economic and environmental change and uncertainty. There is, however, one defining concept of both my leadership and the character of the University of Salford: collaboration. Whether framed as collaboration, partnership working or teamwork, none of the milestones and successes that have been achieved since 2015 would have been possible without a strong collective effort to do the best for our University.

All of our roles, whether academic, technician, professional services or as a member of the Executive Team and indeed, Vice-Chancellor, are as guardians of the University. We endeavour to leave the University in a better and stronger state than when we are appointed, and we are rightly held accountable for our individual and collective efforts. I now hand the baton of Vice-Chancellor on to Professor Nic Beech and wish him every success in the role.



I am truly delighted to have joined the University of Salford. The University community is outstanding in its achievements in industry partnerships, social mobility and research, and I have been greatly impressed by the students and staff I have met so far. I look forward to getting to know everyone and to taking forward our ambitions to deliver transformative education and innovation.

PROFESSOR NIC BEECH



HOW OUR STRATEGY CREATES VALUE

Industry collaboration remains one of our guiding principles that will allow us to achieve our vision of preparing students for life. Our 2022-27 **Corporate Strategy** sets out how we intend to build on successes to date and aligns our business model around seven pillars of activity: Preparing our students for the future; Equity, diversity and inclusion; Innovation; Local roots, global ambition; Environmental sustainability; People, digital and campus; and Financial resilience.

Drawing on a range of inputs – the resources and relationships we rely upon – our business activities create value by delivering outputs and outcomes that benefit our stakeholders. Our internal stakeholders are clearly our students

and people, while externally members of the community benefit from the regenerative influence of the University and our civic role, employers have access to work ready graduates, and industry partners work with us on research and enterprise projects. The way we transform our inputs into value for our stakeholders is shown in the model below.

Our business activities are safeguarded by governance procedures and directed by our strategic objectives, resource allocation and risk management. We measure success through performance against key indicators.



PERFORMANCE

In this first year of our revised corporate strategy overall performance is positive and is enabling us to focus on areas where greater development is required.

MEASURE OF PERFORMANCE	TARGET 2026/27	ASSESSMENT OF PERFORMANCE 2022/23	COMMENT
Education (cohort completion, National Student Survey (NSS), Qualification Achievement Rate (QAR), graduate employability)	Top 50	On Track	Overall performance is improving across most of these measures. Our developing Education and Employability Strategy will integrate with the aims of our Access and Participation Plan and Statement of Ambition to deliver good outcomes for all students. Significant changes were introduced to the NSS this year and it will be some time before we are able to track performance against the new baseline. In the meantime we are analysing both the metrics and students' verbatim comments to guide further improvements.
Total number of full time equivalent students	30,000	On Track	Strong overall student number growth over the last few years reflects the attractiveness of our industry-focussed portfolio to a diverse range of applicants. We have increased cohort completion through improvements in our academic and student support services.
Total number of international students (full time equivalent)	7,500	On Track	We continue to enjoy strong demand from our international markets but are alert to changes in government policy which may directly or indirectly restrict numbers. We are monitoring currency volatility which could contribute to a downturn in applications to UK universities during 2023/24.
Apprenticeships new starts	>850 a year	Work to do	Salford is the 14th largest provider of higher and degree apprenticeships in England*. We are successfully growing provision in response to employer demand and are well positioned to address technical skills gaps. Developments in the educational requirements for entry into certain professions (e.g. the potential retention of a non-degree entry route into policing) are closely monitored and feed into our portfolio and resource planning. We are attentive in ensuring the quality of education and processes meet Ofsted expectations.
Diverse staff population	Diversity targets have been set for 2023/24	Work to do	We have a growing population of minoritised ethnic colleagues and are seeing increases in colleagues declaring a disability, as non-binary and as LGBTQ+. While the number of colleagues declaring as LGBTQ+ is now closer to our undergraduate population, further work is needed to close the gaps in other areas.
Innovation (grade point average (GPA) in the Research Excellence Framework (REF))	Top 50	Work to do	The UK's funding bodies have confirmed that the assessment framework, rules and scope will change in the next cycle, REF 2028. This needs continued focus to ensure we build on the success of REF 2021. We are confident good progress is being made towards the goal and new initiatives like our Research Fellows will be vital to achieving our innovation ambitions.
Absolute Scope 1 and 2 carbon emissions	81% reduction from 2006 to 2030	Work to do	We are on track to achieve scope 1 and 2 targets relating to our heat and power consumption. However, we have further work to do to achieve our target of being net zero carbon by 2038. Read more on pages 26 and 27.
Building quality A and B ratings – the highest quality ratings in building classification types	90%	On Track	We have maintained a high level of performance in recent years and intend that this will further improve over time with the delivery of our Campus Masterplan.
Surplus as a percentage of income	5%+	On Track	Target has been exceeded for financial year 2022/23.

RISK MANAGEMENT

OUR APPROACH TO RISK

We closely monitor the external environment and internal performance to identify risks that could affect our achievement of corporate objectives and the value created for our stakeholders. Key risks and their mitigating actions are recorded in a corporate risk register which is reviewed and reported on in accordance with the University's Risk Management Policy. The Strategy Directorate provides coordination and support.

CURRENT AREAS OF FOCUS

The higher education sector faces pressure in three specific areas: a challenging competitive environment at home and abroad; a real terms reduction in undergraduate fee income putting pressure on costs and the ability to invest; and increasing scrutiny from the government and the OfS over quality and value for money. The UK's post-Covid economic environment remains challenging. Page 19 describes the impact on our students; for the organisation it means higher energy, procurement and staffing costs.

RISK GOVERNANCE

LEAD	ROLE	RESPONSIBILITY
COUNCIL	Oversight	Overall responsibility for risk management within the University.
VICE-CHANCELLOR'S EXECUTIVE TEAM	Ownership	Delegated responsibility from Council to implement Risk Management Policy, controls and processes. Escalates risks to Council as appropriate.
AUDIT AND RISK COMMITTEE	Scrutinise and probe	On behalf of Council, keeps under review the integrity and effectiveness of the University's risk management framework, alerting Council to any emerging issues.
EXTERNAL ASSURANCE PROVIDERS	Assurance / Testing	Undertake independent review, audit of key controls, and formal reporting on assurance.
STRATEGY DIRECTORATE	Coordination / Advice	Leads on the management and governance of the corporate risk management strategy, including the development of associated policy and procedure, and the monitoring of its implementation.
DEANS OF SCHOOL AND DIRECTORS OF PROFESSIONAL SERVICES	Operational implementation	Responsible for identifying, managing, and reporting the strategic and operational risks specific to their areas.

RISK APPETITE

The decisions we make in pursuing our strategic aims, and their resulting actions, involve a level of risk. The amount of risk we are prepared to take is our risk appetite. Our risk appetite framework ensures that investments in our future are appropriately balanced with the potential reward. This approach recognises and manages our overall exposure to risk, keeping it within defined tolerances.

CORPORATE AND OPERATIONAL RISK APPETITE

Our general approach is to minimise exposure, classified as 'minimalist', with respect to our core business and values specifically:

- ✓ Prioritisation of the health and safety of staff, students and visitors to the University;
- ✓ Ensuring business continuity;
- ✓ Maintenance of the quality of academic provision;
- ✓ Compliance with statutory requirements.

STRATEGIC RISK APPETITE

We pursue our mission and goals through taking advantage of developed opportunities or new opportunities presented by a rapidly changing environment. In doing so we protect our core business and values by exercising a 'cautious' risk appetite.

PROJECT RISK APPETITE

We explore opportunities provided by the imagination and enthusiasm of our staff and the commitment of our partners to innovate. We therefore have a risk appetite which is described as 'open'. We undertake projects ensuring that they are consistent with our mission and vision and that the potential benefits (reward and value for money) and risks are fully understood before developments are authorised. We establish appropriate measures to mitigate risk.

PRINCIPAL RISKS AND UNCERTAINTIES

Pages 14 to 15 set out what we believe are our most significant risks and uncertainties. We provide relevant context, and explain the main actions we are taking to mitigate potential adverse impact and take advantage of opportunities. Each risk is assigned a status based on our assessment of probability and impact. We also indicate whether the risk's movement over the last year has increased, decreased or remained static.



PRINCIPAL RISKS AND UNCERTAINTIES

RISK	WHY IT MATTERS	HOW WE MANAGE THE RISK	RISK STATUS
<p>CYBER SECURITY</p> <p>We suffer a significant impact or loss due to an external attack, an internal party's action or data leakage.</p>	<p>We depend on our digital IT infrastructure for business critical activities. Operational disruption could: adversely affect the student experience; damage our reputation; cause a breach of GDPR compliance; result in financial penalty.</p> <p>Cyber-attacks on Western organisations, including universities, have increased following Russia's invasion of Ukraine. We must also remain vigilant to the cyber threats posed by the rapid development of AI.</p>	<p>We have invested in improved vulnerability scanning capability to build organisational cyber resilience. Independent quarterly reviews against industry benchmarks help us to demonstrate business assurance and highlight issues we may need to address.</p> <p>Implementation of a Payment Card Industry Data Security Standard compliant network has improved data security and enables safer payments.</p> <p>Continue:</p> <ul style="list-style-type: none"> ✓ Promoting appropriate internal behaviours and cyber culture to reduce human risk factors; ✓ Investing in up to date software systems. 	<p>High (unchanged from last year)</p>
<p>CHANGES IN GOVERNMENT POLICY (INCLUDING EDUCATION POLICY)</p> <p>Direct or indirect impact on HE and the University's activities, leading to reduced income and financial instability.</p>	<p>Poor public finances or changes in fees policy could lead to cuts in funding streams, particularly in the present and post Covid-19 economy.</p> <p>The unit of resource per home undergraduate has fallen by 30% in real terms since 2012, contributing to increased international student recruitment across the sector.</p> <p>Tension between politicians and universities is evident in key policy areas including: how HE should be funded; value for money; regulation; international students; delayed association to the Horizon Europe research programme; and free speech.</p>	<p>The Greater Manchester Institute of Technology (GMloT) puts us in a strong position to align our portfolio with the government's skills agenda. We are diversifying research income to exploit new opportunities and limit exposure arising from cuts to traditional funding sources.</p> <p>Continue:</p> <ul style="list-style-type: none"> ✓ Engaging with national policy, policymakers and sector bodies so we are prepared for change and can influence decisions; ✓ Scenario planning against a range of options, outcomes and consequences to inform effective decision-making; ✓ Diversifying our portfolio and income streams to provide a sustainable financial model and greater financial resilience. 	<p>High (unchanged from last year)</p>
<p>ECONOMIC ENVIRONMENT</p> <p>Turbulence in the UK economy, including inflationary non-pay costs, impacts on current and prospective students, staff and ongoing operations.</p>	<p>High inflation increases our operating costs, further devalues the home undergraduate fee and creates financial pressures for students and staff.</p> <p>Periods of economic downturn can impact job creation and demand for graduates, potentially affecting student outcome metrics.</p> <p>Variance in provider finances across the sector is impacting resolution of a national pay dispute.</p>	<p>Our Finance Strategy sets goals and targets that ensure long term financial sustainability and enable investment to support our ambitions.</p> <p>This year we have provided financial wellbeing and cost of living support to students and staff to help with increased costs and bills. Inflation was factored into planning and budget setting, providing realistic, sustainable financial objectives.</p> <p>An in-depth review of our academic portfolio, enterprise and research is modernising delivery and creating efficiencies across the business.</p> <p>Continue:</p> <ul style="list-style-type: none"> ✓ Operating locally managed flexible working; ✓ Monitoring what cost of living support can be offered to students and staff. 	<p>High (unchanged from last year)</p>
<p>STUDENT EXPERIENCE, ATTAINMENT AND OUTCOMES</p> <p>Failure to meet and maintain targeted improvements in student outcome metrics.</p>	<p>For students there is lost opportunity and lost income for the University. The consequent adverse impact on our reputation and league table position affects our: ability to recruit in a challenging environment; long term financial sustainability; and opportunities for investment in strategic priorities.</p>	<p>Our Enabling Student Success programme of work covers all aspects of the student experience, allowing targeted use of resources to improve outcomes.</p> <p>Academic governance structures implement and measure the effectiveness of changes, and oversee in-year action to improve performance where required.</p> <p>Continue:</p> <ul style="list-style-type: none"> ✓ Focussing on successful transition into university to set students up for success; ✓ Addressing awarding gaps between student groups; ✓ Developing the Education and Employability Strategy in order to provide a more personalised experience that supports each student to successful outcomes. 	<p>High (unchanged from last year)</p>

STRATEGIC AND OPERATIONAL REVIEW

EQUITY, DIVERSITY AND INCLUSION



PRADEEP PASSI, ASSOCIATE PRO VICE-CHANCELLOR FOR EQUITY, DIVERSITY AND INCLUSION, ON OUR NEW STATEMENT OF AMBITION

I joined the University in autumn 2022 and I lead the Equity, Diversity and Inclusion (EDI) agenda working with teams to ensure that all of our staff and students have an enriching and rewarding experience and are able to develop and progress as individuals. I work across the institution to ensure that a strategic approach is taken to embed and bring EDI to the front and centre of all that we do.

I'm very much motivated by seeing people and organisations change, especially when the starting point is a somewhat passive view of EDI, to a position where the added value that EDI brings is embraced and acted upon, bringing positive change for both individuals and communities.

In July we launched our Equity, Diversity and Inclusion (EDI) Statement of Ambition 'Delivering Change: Equity at Salford 2023-2028' which outlines the goals that we will work towards in eliminating, or reducing, inequity in relation to colleagues and students.

The Statement of Ambition is all about action. Our aim is to ensure that this is a catalyst to deliver change in relation to some of the most stubborn inequities in our colleague and student environments. We know that there will be challenges and that the structural inequalities in relation to characteristics such as race, gender, disability and sexual orientation are not only an issue here, but for all of society. We must also consider the relationship between characteristics and their combined impact in our approaches moving forward.

Mental health is also a key part of our EDI thinking, not just in terms of the impact that inequities have on individuals, but also in terms of the stigma faced by those with mental health needs. The pandemic and the cost-of-living crisis are major issues that are affecting people's wellbeing and it's important that as a community we consider and understand these factors in our work.

An important part of our change process is being honest and transparent about the work that needs to be done. We acknowledge that inequities and discrimination are caused by barriers created by institutional structures as well as individual attitudes, biases and prejudice.

The goals set out in this Statement of Ambition are challenging. It will take all parts of the University working together to realise the goals. We will therefore develop a whole institution approach, which recognises that all colleagues and all parts of the organisation take ownership of these goals and contribute to their achievement.

Our interventions will recognise the relationships and links between teaching, learning, the wider university environment, students and colleagues in advancing equity. This work will be led by our Executive Team and overseen by the Pro Vice-Chancellor (Academic Development) and myself as Associate Pro Vice-Chancellor (Equity, Diversity and Inclusion). The EDI team and EDI leads will support schools and professional services to embed action.

The principle of equity underpins our EDI ambitions. Equity means that we will treat people fairly and in accordance with their needs, that we celebrate difference and that we work towards equity in outcomes for all colleagues and students, regardless of background, so that they enjoy similar experiences and outcomes.

OUR STATEMENT OF AMBITION

Our ambition is to be a university where inclusivity is deliberately designed and embedded into all that we do, where every student and colleague feels like they matter and belong. Our culture and institutional values will support an inspirational learning and working environment which empowers people to lead with creativity and innovation that advances equity for all.

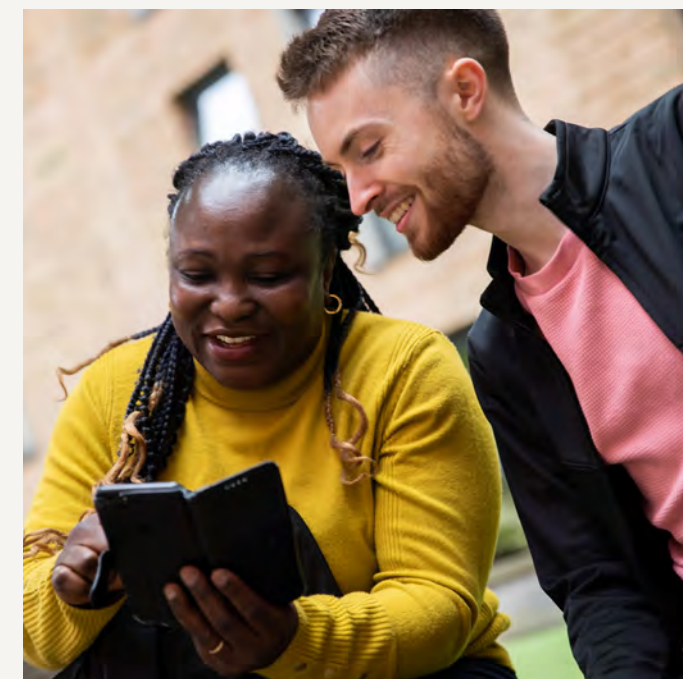
We will be a university that dismantles those institutional structures and systems that lead to discrimination, removing barriers that stand in the way of achievement, and building our strengths in advancing equity.

OUR PRIORITIES

Through a review of our data and the involvement of colleagues and students, we have identified the key areas of our work in which we seek to advance equity. These cover four broad themes:

- 1 / Student experience and success - Narrowing or eliminating the differences between different groups of students in their experiences and success.
- 2 / Colleague outcomes - Diversifying colleague representation across all grades in the workforce.
- 3 / Culture - Enhancing inclusive culture and belonging for students and colleagues.
- 4 / Research - Diversifying the research workforce and environment.

Each theme has measurable goals, against which progress will be tracked and reported on.



To bring our EDI Ambition to life and to help deliver on our goals the following commitments have been determined as key.

We commit to:

- ✓ Ensuring anti-discriminatory approaches are communicated and applied consistently in our policies and practice. Pro-actively addressing areas such as racism, antisemitism, islamophobia, sexism, misogyny, homophobia, transphobia and ableism in order to advance equity and inclusive culture in our everyday practices.
- ✓ Upholding our legal obligations under the Equality Act 2010 in relation to the protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- ✓ Putting accessibility, inclusivity and belonging at the heart of our decision-making throughout the institution and always including an intersectional Equality Impact Assessment that we use to drive change.
- ✓ Prioritising the eradication of discrimination and harassment at the University. Listening to the voices of those experiencing inequities as early as possible to maximise support.
- ✓ Reviewing all goals annually using an intersectional lens and making changes where these are justified.
- ✓ Being transparent about our EDI journey and evaluating and sharing the learning as we grow. Including annual internal audits shared on the internal EDI Hub site and through the governance framework.



PREPARING OUR STUDENTS FOR THE FUTURE

We focus on real-world, value-added experiences that give students the confidence to become successful learners and thrive in a changing world after university. Our ambition is to be recognised in the top 50 of UK universities for learning and teaching by 2026/27.

EDUCATION AND EMPLOYABILITY STRATEGY

How we prepare a diverse student population to succeed in a disrupted future work environment is central to our preparatory work for a new Education and Employability Strategy. Academic subject knowledge and direct experience of working with industry remain core to our vision, but we must go beyond our traditional norms. We need to be clear about the capabilities each of our students needs to achieve during their time with us, and help them to develop the mindset and confidence to thrive and adapt as learners and professionals. What this looks like will be different for each student.

The Education and Employability Strategy is a major change programme that will be implemented over several academic years. Staff across academic teams and professional services are mapping the requirements of the strategy across our other strategic developments, both live and in-plan. In the early part of 2023/24, a series of workshops will further develop the specification of the primary strands of work and enable executive approval of the programme business case by the end of 2023. We expect to commence the programme of works in spring 2024.




Overall: **Silver**

Student experience: **Silver**

Student outcomes: **Silver**

Teaching Excellence Framework

DELIVERING TEACHING EXCELLENCE

A pivotal moment in our progress this year is the award of an institutional Silver rating in the 2023 Teaching Excellence Framework (TEF). The TEF measures the quality of undergraduate education above a baseline level of performance set by the regulator, the Office for Students (OfS). Assessors considered our teaching quality over a four year period, drawing on nationally benchmarked data and two written submissions – one from the University and one by our students. We were **considered** to provide a very high quality teaching and learning experience and deliver very high quality academic and employment outcomes for our students.

Our TEF achievement reflects the impact of our Enabling Student Success (ESS) work. By focussing on a small number of priorities across the academic and wider student experience, more first year students are continuing into a second year of study and a greater proportion of learners are completing their course. In both measures we have turned a pattern of underperformance against nationally calculated benchmarks to a consistent level of achievement above expectation.

Students' on-course success leads on to successful outcomes after university. Our industry-focussed curriculum and real world assessments are helping our graduates to thrive in a rapidly changing and competitive jobs market. Over the last four years we have consolidated steady gains in the proportion of graduates securing highly skilled employment or going on to further study. In the most recent Graduate Outcomes survey, 75% of our 2021 graduates were in highly skilled work or further study while, overall, 93% were in employment or studying.

As one of five national AdvanceHE Collaborative Development projects, ESS is recognised as a sector-leading approach to leadership of change within learning and teaching. Read our case study on the [AdvanceHE website](#).

COST OF LIVING CRISIS

Of course students do not experience life at Salford in isolation from the outside world and the cost of living crisis has hit our students hard. The majority rely on maintenance loans from the Student Loans Company to help with living costs, yet the loan value is not keeping pace with inflation. Application requests to student hardship schemes increased by 36 per cent this year, with successful applications up 48 per cent and the amount awarded up 42 per cent on last year.

To support students during the crisis, we provided a number of initiatives to meet the needs of our diverse student population including: one off food payment to all students, a commuter bursary for eligible students, a work based placement bursary and a household bills bursary. A new payment system gave students fast access to the financial support and Student Experience and Support duty managers can now make emergency payments to students in need during the evening and at weekends. A total of £4.1 million of cost of living support was provided.

PROVIDING WHAT EACH STUDENT NEEDS

To thrive as a university, we need sustainably different approaches that support all of our students into successful outcomes. For students to thrive, they need a higher education experience that meets their individual aspirations and needs, both now, and in the future.

This year's achievements are cause for celebration but not complacency. Data demonstrates that there are differential outcomes across the University and that some of our students who have protected characteristics are less likely to complete their studies, be awarded a first class or upper second class degree or obtain graduate employment. While the reasons are multiple and interconnected, the impact is clear – inequity in outcomes. Read about why taking action to deliver equity for students and colleagues is an institutional priority on pages 16 and 17.

We have set ambitious goals to tackle differential outcomes in our [Access and Participation Plan 2024/25 to 2027/28](#). For the first time we have engaged a diverse group of student consultants who have worked in partnership with staff teams to analyse the data, shape institutional priorities and hold us to account. The students' enthusiasm to share 'lived' experiences to improve the future for others has been both remarkable and powerful. The success of this new approach provides a model for future student engagement projects at Salford and for other universities.

SENIOR ACADEMIC IS ONE OF THE UK'S TOP TEACHING INNOVATORS

Neil Withnell, Associate Dean Academic (Student Experience) for the School of Health and Society, is one of 55 National Teaching Fellows (NTFs) awarded in 2023. NTFs recognise individuals who make an outstanding contribution to excellent teaching and who inspire colleagues in higher education.

After working as a qualified mental health nurse, Neil's career in education began when he started training police officers on all aspects of mental health. This led to a role at the University in 2002 where he immersed himself in coaching, mentoring and empowering students to be the healthcare workforce of the future. As an early adopter of technology and social media in teaching, Neil is highly regarded as a leader in creative and digital education.

His dynamic teaching style has led to numerous student-nominated awards, international recognition and regular invitations to speak at conferences. In recognition of his leadership in learning and teaching, Neil was approached to be a director of the National Teaching Repository, an open access, searchable platform of teaching strategies, approaches and ideas 'that work'.



Neil exemplifies the personal, innovative approach we are developing through the Education and Employability Strategy.

PROFESSOR SAM GROGAN,
PRO VICE-CHANCELLOR EDUCATION AND STUDENT EXPERIENCE

INNOVATION INTENSIFYING INDUSTRY COLLABORATION



RACHEL WOOLLEY, DIRECTOR OF RESEARCH AND ENTERPRISE, INTRODUCES OUR NEW RESEARCH FELLOWS

With two decades of management and leadership experience through roles at the UK's largest research funder and at two Russell Group universities, Rachel joined the University in June 2021 to bring about a step change in our approach to research and innovation. Here, Rachel outlines the purpose and ambition that she has for a new cohort of Research Fellows.

On the back of a strong REF2021 (Research Excellence Framework) we started to look ahead at how we can do even better when it comes to the next assessment – REF2028. On joining the University I led on the development of a new Innovation Strategy and it was clear that one of the ways that we could push forwards with growing key areas of our portfolio was to invest in research talent.

At the start of 2023 we ran a national and international campaign to recruit outstanding early career academics, prestigious appointments aimed at fostering world-leading research and innovation in a lively and supportive environment. From an exceptional field we've recruited 21 Fellows who will work in and across our Schools on a wide variety of areas including acoustics, rehabilitation, human-centred design, digital transformation, energy systems, and social policy.

We sought applications from candidates who were on a demonstrable pathway to building an outstanding track record of research, innovation and impact. Our recruits have a vision for their future leadership in research, plans to develop new partnerships with public, private and third sector organisations, and they are committed to innovating in research-led teaching.

We know there are inequalities in research across the sector, including at our own institution. To realise our EDI statement of ambition we have to actively seek out and extend opportunities to talented individuals who face barriers because of their background, circumstances or the unintended but inherent biases of traditional recruitment paths. Our search for new talent saw us achieve over 400 applications and provided us with a real opportunity to make a positive contribution to new perspectives in research, in learning and as visible role models to our teaching.

Our exceptional Fellows joined us from August 2023, and I look forward to supporting them in achieving their, and our, ambitions.



SCHOOL OF SCIENCE, ENGINEERING AND ENVIRONMENT:

- / Dr Deepak Akiwate
- / Dr Laura Brettell
- / Dr Marina Duarte
- / Dr Andrew Jenkins
- / Dr Jajati Mandal
- / Dr Ionnais Paraskevas
- / Dr Ilan Ruhr
- / Dr Tom O'Shea
- / Dr Chris Tsang
- / Dr Rebecca Vos

SALFORD SCHOOL OF ARTS, MEDIA AND CREATIVE TECHNOLOGY:

- / Dr Mariana Fonseca Braga
- / Dr Christina Buckingham
- / Dr Patrick Smith

SCHOOL OF HEALTH AND SOCIETY:

- / Dr David Frayne
- / Dr Lisa Garwood-Cross
- / Dr David Junior Gilbert
- / Dr Ashley Gluchowski
- / Dr James Kaufman
- / Dr Currie Moore
- / Dr Vikranth Harthikote Nagajara

SALFORD BUSINESS SCHOOL:

- / Dr Richard Whittle



LOCAL ROOTS, GLOBAL AMBITION

Our aim is to provide an attractive, accessible, and increasingly flexible portfolio that is responsive to the skills needs of regional, national and international economies, which facilitates industry engagement, partnership and flexible learning.

GREATER MANCHESTER INSTITUTE OF TECHNOLOGY

The Greater Manchester Institute of Technology (GM IoT) made significant progress this year following the signing of Licence and Capital Funding Agreements with the Department for Education. Development of the new build for the GM IoT Hub on the University's Peel Park campus is underway and will provide state of the art facilities and equipment for delivery of the industry-led curriculum.

Together with our further education and employer partners we welcomed external stakeholders to the official GM IoT launch in May. In his keynote speech the Greater Manchester Mayor Andy Burnham talked about the pivotal role of the GM IoT in delivering the ambition to create the first integrated technical education city region in England.



In Greater Manchester we have the simple premise that there is a path for all in life – there is not one better path and one inferior path, there is a need to create equal paths, technical and university, to the qualifications that young people will need.

ANDY BURNHAM,
MAYOR OF GREATER MANCHESTER

PORTFOLIO DIVERSIFICATION AND DEVELOPMENT

As the first cohort of GM IoT students embark on their higher technical studies in 2023/24, we are continuing to expand our portfolio of level 4 and 5 qualifications. New programmes in digital technologies, data analytics and engineering are also in development with employers and will be ready for launch in September 2024. We are exploring opportunities for our new IoT curriculum development to be accredited as Higher Technical Qualifications, the government's new kitemark for higher technical education programmes.

Our apprenticeship portfolio continues to play a key role in meeting current and future workforce needs. In response to industry demand we have introduced a new apprenticeship in construction project management and are working with partners in the health sector to develop apprenticeships in community public health and district nursing.

The government's emerging framework for the Lifelong Learning Entitlement (LLE) will enable eligible individuals to draw down the equivalent of four-years of full-time undergraduate education throughout their working life. Ahead of the launch of the LLE from 2025/26, we successfully delivered two short course programmes as part of the OfS Higher Education short course trial. The learning acquired through the pilot project is shaping how we adapt our portfolio and systems to address priority skill gaps through bite-size learning.

Over the next year, we will further strengthen engagement with employers and key stakeholders such as the Greater Manchester Combined Authority, utilising the GM IoT to ensure that our apprenticeship portfolio continues to be industry led and addresses the key skills gaps and shortages of the priority sectors outlined in the Local Skills Improvement Plan.



Global citizens: Business School students on a cultural visit in Vietnam

STRONG PERFORMANCE IN INTERNATIONAL RECRUITMENT IN INCREASINGLY UNCERTAIN TIMES

Within the UK sector, 2022/23 sparked heightened discussions about the necessity for international diversification, primarily in response to shifts within the Chinese market and UK government concerns over the number of visas issued to students and their family members. Broadening our global reach, levels of study and modes of delivery have been distinctive and successful strategic aims for almost a decade.

Our refreshed International Delivery Plan 2022-27 defines the activities that will help us to consolidate existing strengths in the Africa-Middle East-South Asia regions and increase recruitment in some of our smaller markets. The plan also incorporates four themes and responsibilities that are steering the long-term responsibilities of the UK's international education sector: aligning priorities with market demand, enabling student success, international student employability, and sustainability.

The change in government policy that will limit the ability of students coming to the UK on student visas to bring dependents is of potential concern across the sector. However, analysis of our current data suggests that whilst there may be a future risk to recruitment, we believe that the impact is manageable. We have well developed processes to effectively service international applicants and mitigate potential financial risk. These include application windows, fee deposits and good relationships with our in-country agents.

We met 2022/23 contracted numbers for transnational education. Over the last three years our key partner, British University Bahrain, has seen the proportion of new students increase by 33 per cent and those continuing by over 50 per cent. And a new partnership with the British University Vietnam (BUV) is already opening up mobility opportunities for students. A group of top performing level 5 students at Salford Business School were hosted by BUV for an unforgettable cultural experience and experiential learning week in Hanoi.

ENHANCING OUR ON-CAMPUS EXPERIENCE

A growing international student community on campus requires us to grow our specialist services across academic support, careers and employability, and student life. We have expanded institution-wide academic English language and study skills support, and appointed specialist International Academic Tutors who are working with international students in key subject areas. Two new roles within the Careers and Employability service have a dedicated international focus, giving students greater access to specialist advice in their career preparation.

PEOPLE, DIGITAL, CAMPUS

Investment in our People, Digital infrastructure and Campus is crucial to enable our progress and success. Our **Campus Masterplan**, powered by our financial surpluses, continues to transform our environment, estate and facilities, delivering the improvements needed to meet our ambitions for student growth, improved quality and for our priorities in innovation.

DIGITAL IS AT THE HEART OF THE STUDENT EXPERIENCE

We are redefining how we think about, plan and deploy digital technology and services. Digital IT is traditionally viewed as an 'enabler' for our academic activities and professional services. In our refreshed corporate strategy, our digital capability, infrastructure and resilience are central drivers of a new model of strategic cross-university partnership.

The vision of a refreshed One Digital Campus Plan draws on the existing and future experiences of students and staff to imagine the digital capabilities required to provide a world class experience and service. A persona-based or "day in the life of" approach is helping us to genuinely understand student lives and their future digital experiences across the University. Nowhere is this model more apparent than in the development of our Education and Employability Strategy: both learning and support will be digital-first experiences that keep pace with industry developments, deliver core skills and, crucially, support the personalised development for each student to thrive. Read more about this emerging strategy on page 19.

Investment in our digital infrastructure is helping to give both employers and apprentices a high quality experience whilst also strengthening our responsiveness to changing compliance requirements. A new e-portfolio system supports apprentices with their on and off the job learning, enhancing their learning experience, and enabling employers to have up to date and easily accessible information on the progress of their apprentices. Push button reporting enables tutors, learning and development coaches and professional service staff to swiftly identify apprentices who may require additional support to stay on track. Initial evaluation of the implementation suggests that e-portfolio is one of a number of factors contributing to a 12.9 percentage point increase in our apprenticeship Qualification Achievement Rate this year compared to 2021/22.

Driven by a strategic priority to improve students' experience of our organisation and management, developments in our student Customer Relationship Management system are transforming the end-to-end student experience. Over the last two years we have created a highly personalised applicant

journey and in 2022/23 we deployed additional functionality to significantly improve enquiry handling, case management and communications. Automated workflows and chatbots are delivering process efficiencies for routine matters and, in turn, are increasing the availability of staff to work directly with students in complex cases or where individual service is required. Customer voice and satisfaction metrics give us real-time performance data whilst generating new insights on what our students need and expect.

CREATING POSITIVE IMPACT FOR OUR PEOPLE AND STUDENTS

Supporting the wellbeing of our colleagues provides the foundation for individuals to balance work and life responsibilities and in turn be productive and connect with their work. Getting this right helps us to provide a consistent and great experience for our students. We take a holistic approach to supporting our people and this year launched our mental health and wellbeing commitment. Developed through engagement with our colleague forums, with staff surveys and feedback from colleague representatives, our commitment is centred around four themes: general wellbeing; mental wellbeing; physical wellbeing; and financial wellbeing.

We are committed to reducing the stigma around mental health through more open and regular conversations about wellbeing and mental health. More than one hundred employees have trained as mental health first aiders who undertake regular training and support the needs of their colleagues. We recognise that some groups in society, including individuals with protected characteristics, are more likely to experience mental health issues and have difficulty getting access to appropriate support. Our mental health and wellbeing commitment does not therefore stand alone, but operates alongside our EDI Statement of Ambition (see pages 16 and 17).

We are also revising our Mental Health Strategy to align with the emerging needs of our staff and student community. By adopting the Universities UK step change framework as the basis of development, we intend to work towards accreditation by the Student Minds Mental Health Charter.

A CAMPUS FOR OUR COMMUNITY

Our physical campus is a space for the local community, visitors and our partners as well as students and colleagues. From easy 'front door' access for industry to arts, cultural and sporting activities and public lectures, our campus is designed to connect with the Salford city region. Following the opening of the new School of Science, Engineering and Environment and the North of England Robotics Innovation Centre, the original campus masterplan is being refreshed to ensure it still meets the needs of the University and reflects changes in working practices following Covid-19. The needs of Greater Manchester residents are changing too and nowhere is this more evident than in healthcare.

There is a tremendous need for more healthcare professionals to support the NHS, particularly in local clinical settings. As one of the largest nursing, midwifery and allied health profession providers in the North West we are proud to play our part in meeting workforce demand in these areas. Our ambition to create a specialist healthcare campus has been supported by an award of £5.8million from the Office for Students (OfS) to create a new state of the art clinical facility which will also offer healthcare services to the local community.

The new building will include NHS-standard clinical facilities, providing better public access to healthcare and supporting students to gain the skills they need to work in the NHS. A number of clinics will be housed in the space including podiatry, physiotherapy, sports injury and ultrasound. Local people will be able to access help with lifetime conditions like diabetes through dietary management, vascular assessment of feet and legs and exercise management.

The healthcare campus will take shape in a phased approach in the coming years, alongside consideration for a new home for Salford Business School (SBS). A new SBS building would be an opportunity to create a sector-leading space that consciously responds to a post pandemic world in which the nature of both work and education have undergone a seismic shift.

Other projects in the next phase of our masterplan include the Greater Manchester Institute of Technology, and consideration of a new acoustics facility and student residencies.





STRATEGIC AND OPERATIONAL REVIEW

ENVIRONMENTAL SUSTAINABILITY

AN INSTITUTIONAL PRIORITY

At the centre of the sustainability pillar of our corporate strategy is our commitment to the Greater Manchester target of net zero carbon by 2038 (NZC 2038). Achieving this goal 12 years ahead of the UK national target will challenge us to go far beyond our existing strengths and comfort zone. We need to reduce demand for energy, improve the energy efficiency of our existing buildings, increase the use of renewable and low carbon technology on-site, and invest in off-site renewable energy. NZC 2038 demands an innovative approach in which taking action to address climate change is the responsibility of our whole institution.

Adapting our operations to deliver on our strategic commitments has required a new governance system for sustainability. The University Executive Team provides overall oversight and reports to the governing body, Council, while a Sustainability Board, chaired by the executive lead, is responsible for strategic delivery of the portfolio of net zero projects. By establishing a Sustainability Office and investing in new posts, we have expanded our capacity and capability to enable us to implement the cross-institutional change envisaged in our [Sustainability Strategy](#).

BUILDINGS DECARBONISATION

Budget provision has been made to develop a costed Buildings Decarbonisation Plan for scope 1 and 2 carbon emissions. The plan will set out our approach and sequencing to replace existing fossil fuel-reliant systems with low carbon alternatives such as heat pumps, electric heating, or other low-carbon fuel sources. By integrating energy efficiency measures that reduce overall heat and energy demand, we can take a whole building approach to decarbonising our estate. The outputs of the plan will provide information to determine the level of investment required to achieve our net zero carbon commitments, future cash flows and potential impacts on assets.

Our reputation for leading, relevant research that addresses sustainability issues continues to grow. We are leading the Future Homes Project, a partnership between academia and industry which will use our unique Energy House 2.0 (EH2.0) facility to develop modern technologies to reduce carbon emissions from the home and cut energy bills. The £2.3 million project will develop net zero solutions for the housing sector and conduct research under controlled conditions. The funding from the Department for Innovation, Science and Technology will allow new technologies developed in EH2.0 to be scaled up and deployed more quickly, and with greater confidence in performance.

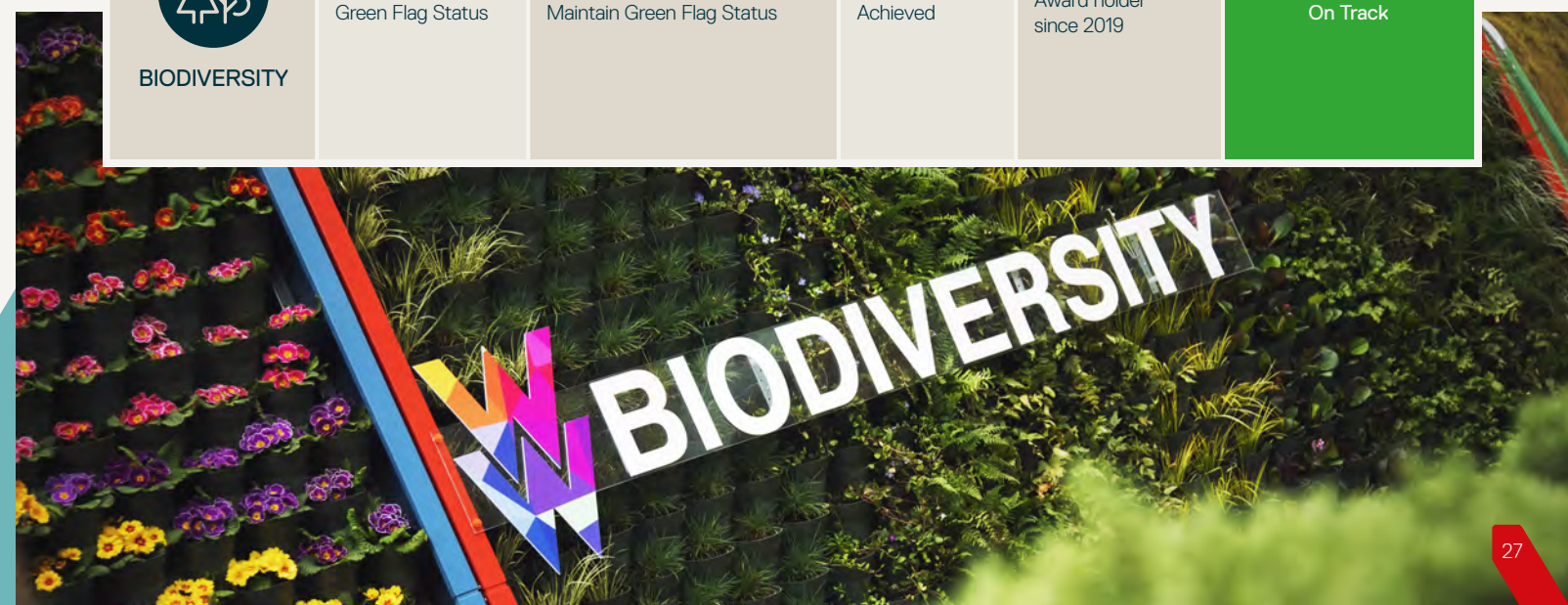
DEVELOPING CLIMATE RESILIENCE

The risks climate change presents to our operations are real and growing. During the academic year 2023/24 we will begin to develop a climate change adaptation and resilience plan based on climate projections and the associated key risks to the organisation. A business continuity approach will help us to assess impact areas such as infrastructure and transport links, health, safety and wellbeing - on campus, in accommodation and travel - as well as our institutional reputation and student recruitment. The exacerbation of existing corporate risks through climate change will be evaluated, with the outputs being used to refine our reporting on carbon emissions and projects to reduce impact, particularly through our supply chain and staff and student travel.



PERFORMANCE

MEASURE OF PERFORMANCE		CURRENT TARGET	2022/23 ACTUALS	TREND	ASSESSMENT OF PERFORMANCE 2022/23
 CARBON	Absolute Scope 1 and 2 carbon emissions	81% reduction by 2029/30 Baseline year: 2005/06 Net Zero Carbon by 2038	5,824 tonnes 69% reduction from baseline		On Track
 ENERGY	Energy use, kWh/m ²	25% reduction (155 kWh/m ²) by 2029/30* Baseline year: 2016/17 *Target under review	171 kWh/m ² 19% reduction from baseline		Work to do
 WATER	Water use, m ³ /FTE	20% reduction in water use per Full-time Equivalent colleague/student by 2024/25 Baseline year: 2018/19	16% reduction from baseline		Work to do
 WASTE AND RECYCLING	Total waste, kg/FTE (excluding construction waste)	12% reduction by the end of 2024/25 Baseline year: 2018/19	38% reduction from baseline		Work to do on recycling
	Recycling	65% recycling by the end of 2024/25	48% waste recycled		
 BIODIVERSITY	Green Flag Status	Maintain Green Flag Status	Achieved	Award holder since 2019	On Track



HOW OUR STRATEGY BENEFITS THE PUBLIC

We are a university that engages with society to bring about benefit. As an exempt charity our governing body, Council, has due regard to Charity Commission guidance on public benefit in the course of overseeing the development and implementation of our strategy. We work in partnership with the people of Salford, Greater Manchester and the global community to advance education, inspire, empower and transform lives. Through our civic commitment we bring value to our city region and respond to society's challenges in ways that are relevant to Salford and beyond. The Office for Students (OfS) is our principal regulator and is responsible for monitoring our compliance with charity law obligations.

We take our responsibilities seriously and recognise the impact of our services on students and the community, especially during this current period of economic challenge. All campus-based undergraduates receive £150 of Inspire funding each year to help with the cost of learning resources. Students from low-income backgrounds and living in areas where participation in higher education is low, care leavers, estranged students and student carers receive additional financial support. Page 19 details the cost of living support we've provided to students this year.



INTOUNIVERSITY SALFORD

Our new partnership with IntoUniversity and the University of Manchester - IntoUniversity Salford Central - has had an incredibly successful first year of operation. The community has been welcoming, school partnerships are very strong, and the team has built strong relationships with students and families in the local area.

The team has supported over 950 students from age 7 to age 18 on a variety of programmes, including in-school FOCUS workshops, after-school academic support and one-to-one mentoring with university students. Close to 100 students have attended the centre regularly after school, benefitting from a quiet space to study with resources they may not have access to at home. Primary students have studied topics including anthropology, astronomy and nutrition.

The team has delivered workshops to students in Years 4-6, in five partner primary schools in the area. Year 6 students from these schools have particularly enjoyed visiting the University, touring the campus and speaking to some of our current undergraduates.

A particular success has been the engagement with local secondary schools. The IntoUniversity Salford Central team has worked with over 300 students in Years 7-11, supporting them on a variety of topics including independent learning and post-16 options, revision and in some cases help with their applications to college and writing CVs.

The schools have been incredibly supportive of the centre and engaged from the start; they really appreciate the support given and many teachers have been real advocates of the charity. University of Salford students have been providing one-to-one support to IntoUniversity students through the mentoring programme, helping them to set and achieve academic, future and social targets.

FRIENDS OF ENERGY HOUSE 2.0

A new philanthropic arm to our Energy House 2.0 (EH2.0) research facility - The Friends of Energy House 2.0 - is connecting local community projects with the expertise of EH2.0. Businesses have donated to an 'impact fund' which develops a pipeline of talent in sustainability, raises awareness of climate change issues, encourages the public to reduce their carbon footprint, and tackle issues around fuel poverty.

Over the past 18 months three projects have received funding and enabled investment in future talent through PhD scholarships and student scholarships. Delivery of these projects is now underway, bringing the University and our facility closer to the community and wider public, including in classrooms and cultural venues.



GREATER MANCHESTER CIVIC UNIVERSITY AGREEMENT

The Greater Manchester Civic University Agreement commits the five higher education institutions – University of Bolton, Manchester Metropolitan University, University of Manchester, University of Salford and Royal Northern College of Music – to collective action around the six priority areas of education and skills; reducing inequalities; jobs and growth; the digital economy; net zero; and the creative and cultural economy. To mark the first anniversary of this pledge, research commissioned by the Greater Manchester Civic University Board (CUB) shows that in the next five years the universities will:

- ✓ Train nearly 9,500 nurses, over 3,500 medics and over 8,500 teachers;
- ✓ Provide over £366 million of support and services to small enterprises, business and not-for-profits;
- ✓ Undertake research with businesses and non-academic organisations worth over £1.3 billion;
- ✓ Deliver 6,288 years of professional development training and education courses to businesses and charities;
- ✓ Create over 1,000 new companies and charities.

FREEDOM OF SPEECH

We uphold the fundamental rights of freedom of speech and expression and academic freedom. We wholeheartedly support an environment in which all staff and students are treated with respect and do not deny use of University premises on grounds connected with beliefs, views, policies or objectives as long as such use is at all times within the law. We positively promote the principles of freedom of speech and protect the academic freedom of those staff applying for jobs or internal promotions. Our Freedom of Speech Policy and effective partnership working with the Students' Union allows us to adopt a risk-based approach for managing external events and fulfil our obligations under Prevent, the Higher Education and Research Act (2017) and Equalities legislation. The Higher Education (Freedom of Speech) Act 2023 passed into law during the year and our Freedom of Speech working group has been meeting to consider how our policy should be updated so that it is both fit for purpose and aligned to the new legislation.



FINANCIAL PERFORMANCE

KEY FINANCIAL HIGHLIGHTS

2022-23

£19.0M

Underlying Operating Surplus

£19.9M

Surplus for the Year

£19.1M

Comprehensive Income for Year

£29.9M

Cash flow from operating activities

£205.3M

Net assets

2021-22

£20.7M

Underlying Operating Surplus

(£16.1M)

Deficit for the Year

£106.9M

Comprehensive Income for Year

£48.5M

Cash flow from operating activities

£186.2M

Net assets

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

UNDERLYING OPERATING SURPLUS FOR THE YEAR

The University Council's process for reviewing the performance of the University is primarily to consider the underlying operating surplus and the controllable surplus as well as the cashflow generated from operating activities. These measures exclude the impact of movements on long term pension liabilities including the Greater Manchester Pension Fund (GMPF) and Universities Superannuation Scheme (USS), movements on the early retirement provision in respect of former Teachers Pension Scheme (TPS) members and loan hedge movements which while significant cannot be controlled by management in the short term. In 2022-23 the University made an underlying operating surplus of £19.0m which while £1.7m less than the previous year is a strong performance in the current economic environment.

NON-CONTROLLABLE MOVEMENTS

In 2022-23 there was a favourable movement of £0.9m on the TPS early retirement provision due to an increase in corporate bond yields reducing the liability. The overall impact of these non-controllable movements is to increase the surplus to £19.9m.

TOTAL COMPREHENSIVE INCOME AND EXPENDITURE

The Total Comprehensive income was £19.1m after an adverse actuarial movement of £4.3m on GMPF and favourable hedge movements on loans of £3.5m. The adverse movement on GMPF was due to reducing the prior year's pension asset down to nil as the pension asset is now not considered recoverable as future cash pension contributions are currently anticipated to be greater than the accounting cost of pensions.



INCOME AND EXPENDITURE IN £m

2022-23 and 2021-22 actuals and key variances to prior year

	2022-23	2021-22	CHANGE TO PRIOR YR
INCOME			
Tuition fee and educational contracts	212.3	200.4	11.9
Funding body grants	23.8	21.2	2.6
Research grants and contracts	6.7	6.8	(0.1)
Other income	20.2	17.7	2.5
Investment and donations income	5.4	1.8	3.6
Controllable operating income	268.4	247.9	20.5
OPERATING EXPENDITURE			
Staff costs	(136.4)	(125.9)	(10.5)
Less non controllable gain	(0.9)	(1.7)	0.8
Other operating expenses	(92.7)	(80.9)	(11.8)
Depreciation	(15.5)	(14.1)	(1.4)
Interest and other finance costs	(3.9)	(5.0)	1.1
Controllable operating expenditure	(249.4)	(227.6)	(21.8)
Day to day operating surplus	19.0	20.3	(1.3)
Loss on disposal of fixed assets	0.0	(0.1)	0.1
Gain on disposal of investments	0.0	0.5	(0.5)
Underlying operating surplus	19.0	20.7	(1.7)
IMPACT OF NON CONTROLLABLE AND EXCEPTIONAL ITEMS			
Change in USS Deficit recovery plan	0.0	(38.5)	38.5
Other non controllable movements	0.9	1.7	(0.8)
Surplus / (Deficit) for the year	19.9	(16.1)	36.0
Change in fair value of hedging financial instruments	3.5	5.0	(1.5)
Actuarial (loss) / gain in respect of pension movements	(4.3)	118.0	(122.3)
Total comprehensive income for the year	19.1	106.9	(87.8)

CONTROLLABLE INCOME

In 2022-23 total income increased by £20.5m (8.3%) to £268.4m.

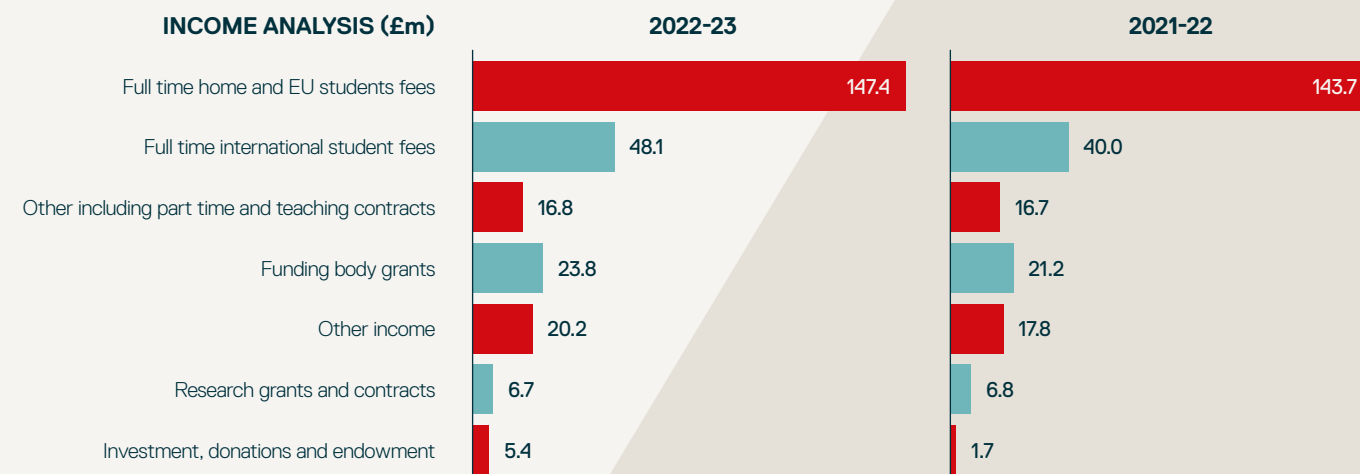
Total tuition fees and educational contracts increased by £11.9m (5.9%) to £212.3m with International students increasing by £8.1m and Home and EU student fees increasing by £3.7m.

The Funding body grants increased by £2.6m (12.3%) to £23.8m following an increase in recurrent grants of £2m from Research England and £1m from Office for Students (OfS) partially offset by a fall in specific grants of £0.4m. Research

grants and contracts fell by £0.1m (1.6%) to £6.7m while Other Income increased by £2.4m (13.5%) to £20.2m. The increase in Other income reflected increased enterprise activity and the inclusion of Health placement monies previously included within Tuition fee and educational contracts.

Investment, donations and endowment increased by £3.7m (217.6%) to £5.4m due to an increase in investment income following the interest rate rises in 2022-23

INCOME ANALYSIS (£m)



CONTROLLABLE EXPENDITURE

In 2022-23 total expenditure increased by £21.8m (9.6%) to £249.4m.

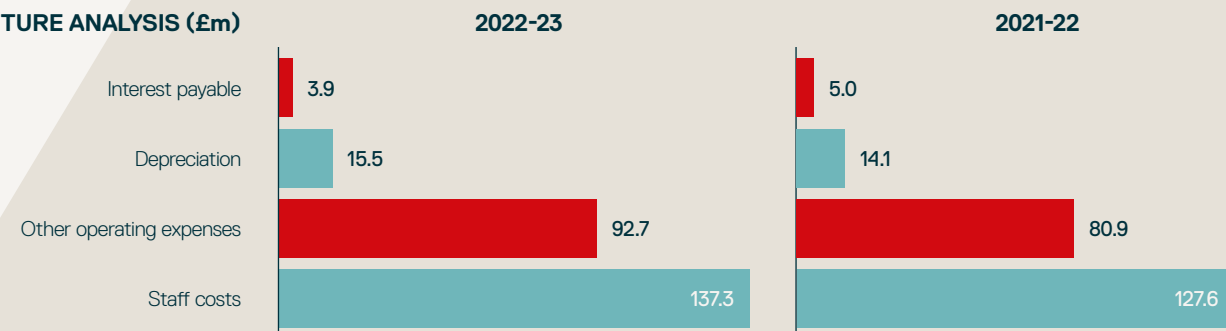
Staff costs increased by £9.7m (7.6%) to £137.3m. The rise in costs reflects a nationally agreed pay rise of 3% from August 2022, early repayment of a 2% element of the 2023/24 pay rise from February 2023, April scale rises and an increase in employees of 221 partially offset by a £6m saving on GMPF current service pension costs. Recurrent staff costs, now account for 50.8% of income compared to 51.4% in 2021-22.

Other operating expenses rose by £11.8m (14.6%) to £92.7m. There were significant rises of £3.7m in Student Scholarships, bursaries and other student expenses as the university supported students with initiatives to help with cost-of-living pressures. IT supplies increased by £0.4m and licences, insurances and subscriptions increased by £0.9m following investment in the digital landscape in applications such as HESA data futures and Work-tribe research system as well as a movement to a third party managed cloud system.

This increased activity also led to a £2.0m increase in agency and contract staff. There was also an increase of £2.1m in professional fees mainly due to payments to partner provider institutions as part of the delivery of the Greater Manchester Police (GMP) contract. Travel and subsistence costs increased by £1.6m due to higher academic conference attendance post the pandemic and investment in staff development. Other increases from 2021-22 included £1.0m in rates, rents, and utilities due to increased utility costs following the war in Ukraine, £0.7m in consumables and £0.5m in staff recruitment and welfare. Conversely there have been savings in financial charges of £2.1m as the 2021-22 costs included loan breakage costs following early loan repayments.

Depreciation has increased following the opening of the Science, Engineering and Environment building and interest has fallen by £1.1m due to savings on loan interest following the early repayment of loans in 2021-22.

EXPENDITURE ANALYSIS (£m)



STATEMENT OF FINANCIAL POSITION

At the 31 July 2023 our Total net assets had increased by £19.1m to £205.3m reflecting the total comprehensive income for 2022-23.

We continue to have healthy net current assets of £105.6m (£88.5m at 31 July 2022), with cash and short-term net investments of £149.4m (£134.3m at 31 July 2022) which is enough to cover 234 days of day-to-day expenditure (2022: 231 days). The waterfall chart below explains the rise in cash and investments over the last 12 months by analysing the cash flow statement.

At the 31 July we have secured borrowing including derivatives and finance leases of £27.2m (£32.2m at 31 July 2022) which represents 10.1% (13.0% at 31 July 2022) of income and is below the sector average. We continue to plan to finance future capital expenditure mainly through our current cash holdings, internally generated resources including land sales and grants.

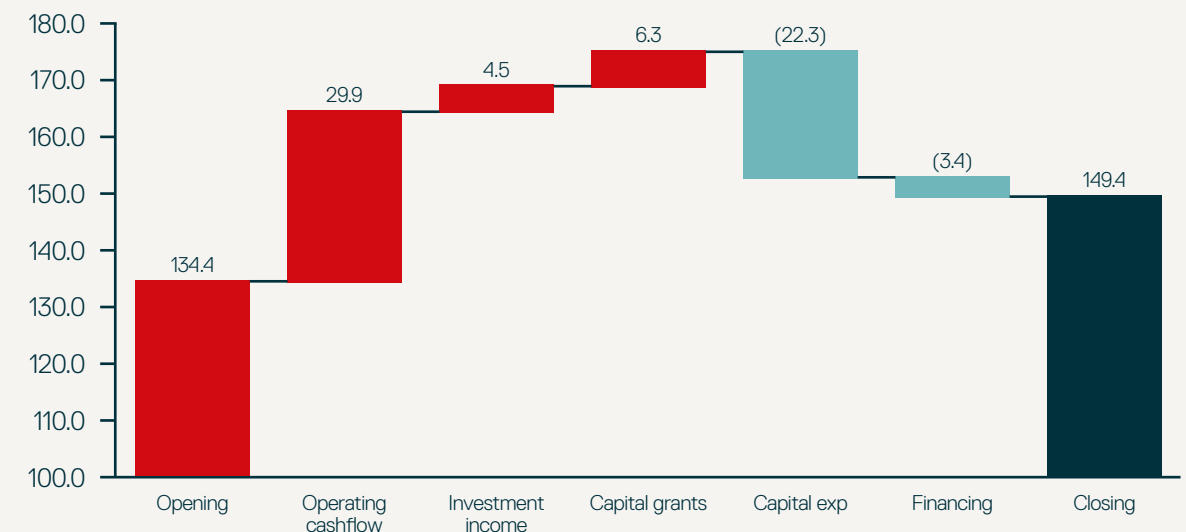
We have pension provisions totalling £73.0m (£73.2m at 31 July 2022) which includes an obligation to fund the deficit on the USS pension of £63.9m (£62.8m at 31 July 2022) and enhanced Teachers' Pension Scheme liabilities of £8.9m (£10.2m at 31 July 2022). Affordability of pensions is a key financial risk and since 1st August 2019 colleagues appointed on grades 1 to 6 are only eligible to join the University of Salford Pension plan which is a defined contribution scheme.

EXTRACT OF THE STATEMENT OF FINANCIAL POSITION IN £m

Actuals at 31 July 2023 and 31 July 2022

	AS AT 31 JULY 2023	AS AT 31 JULY 2022
NON-CURRENT ASSETS	226.9	228.7
Trade and other receivables and stock	36.0	30.6
Investments and cash and equivalents	149.4	134.3
CURRENT ASSETS	185.4	164.9
Less creditors falling due within one year	(79.8)	(76.4)
Net current assets	105.6	88.5
TOTAL ASSETS LESS CURRENT LIABILITIES	332.5	317.2
Creditors amounts falling due within one year	(51.9)	(56.0)
Pension provisions	(73.0)	(73.2)
Other provisions	(2.3)	(1.8)
TOTAL NET ASSETS	205.3	186.2

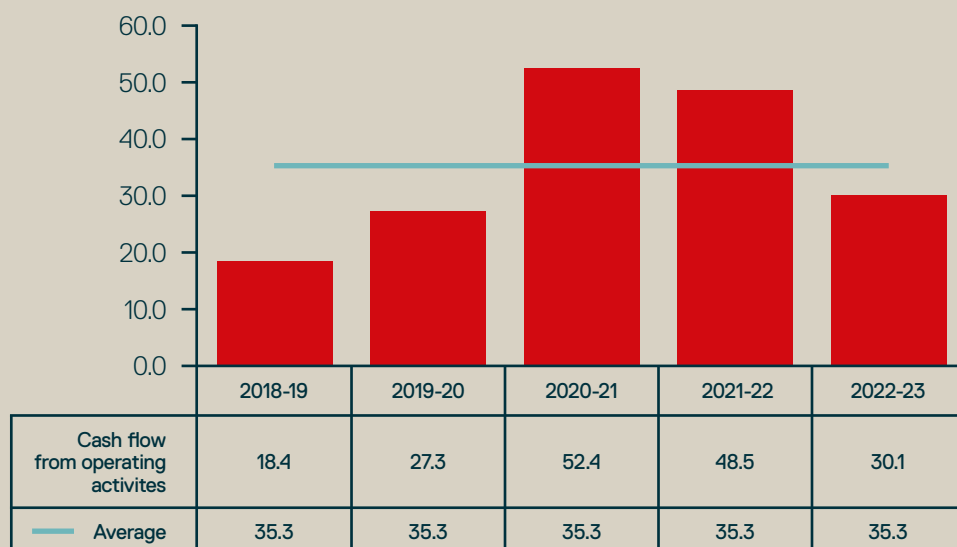
MOVEMENTS IN CASH AND INVESTMENT BALANCES (£m) IN 2022-23



CASH FLOW

Cash flow generation continues to be our key financial metric, particularly in a time of volatile pension movements. Cashflow from operating activities was £29.9m (2021-22 £48.5m) which is 11.1% of income. Whilst the cashflow generation is below our 5year average, we noted in last year's report that both 2020-21 and 2021-22 years were above trend due to significant rises in the level of deferred income and payments on account for international students which would not continue to grow at the same rate. We plan to carry on generating cash above the sector average in order to continue to invest in our students' experience.

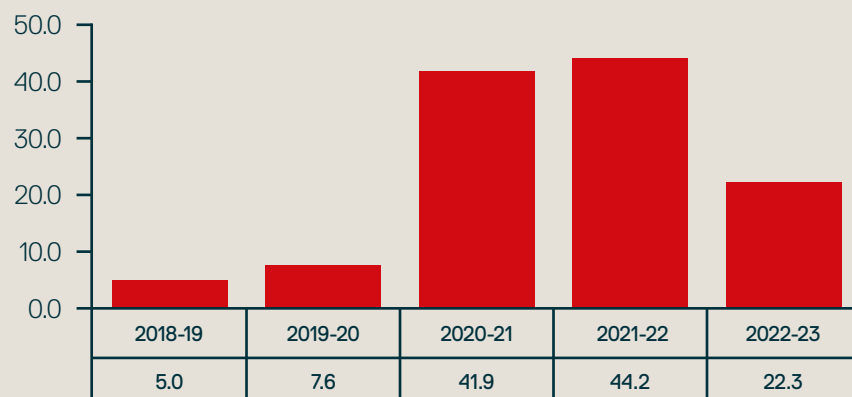
CASH INFLOW FROM OPERATING ACTIVITIES (£m)



CAPITAL EXPENDITURE

We continue to invest in our estate and equipment, spending £22.3m. Schemes in 2022-23 included the completion and fit out of the Science, Engineering & Environment and Robotics buildings, the acquisition of land adjacent to our Health quarter and the installation of a Diagnostic Imaging Suite.

CASH EXPENDITURE (£m)



PAYMENT OF CREDITORS

The Late Payment of Commercial Debts (Interest) Act 1998 and Late Payment of Commercial Debts Regulations 2002 and 2013 requires institutions, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. We endeavoured to adhere to this policy during the year except where there were genuine reasons for dispute. Subject to the terms of individual contracts, where there are disputes on invoices, we only withhold payment on the disputed element of the invoice.

During 2022-23 the University paid 98% (2021-22: 98%) of invoices received within 30 days under Public Contract Regulation 113. Under the new legislation the University is required to report the value of notional interest due on invoices that are paid late and for 2022-23 this is £4,071 (2021-22 £9,263).

PROFESSIONAL ADVISORS

Bankers	Lloyds Bank PLC and Barclays Bank PLC
Investment Advisors	KW Wealth
Internal Auditor	PwC LLP
External Auditor	KPMG LLP



CONCLUSION AND FUTURE PROSPECTS

Over the last 5 years the University's cash inflow from operating activities has averaged £35.3m, demonstrating that the University has a good track record of generating cash to invest in our students, staff and facilities. The future prospects of the University are considered over a 5-year period with the financial plan for 2023-24 to 2027-28 approved by Council in July 2023. The financial plan includes annual Income & Expenditure statements, capital expenditure, cash flow and balance sheet statements and an assessment of loan covenant compliance at each year end. Part of the financial planning process includes scenario planning which stress tests key assumptions in respect of student recruitment, pay awards and pensions as well as the potential impact of external factors such as cost of living issues on student recruitment and retention. The scenario planning also included consideration of potential remedial actions and these scenarios are reviewed on an ongoing basis.

Whilst overall student recruitment for 2023-24 has been slightly below target the University is again targeting a "controllable" surplus in 2023-24. The external environment is likely to remain challenging due to continuing high levels of inflation and the impact on the cost of living. Despite these pressures the University's underlying financial position remains sound and the University will continue to invest in improving the student experience with continued investment in both infrastructure and staff planned.

Based on this work and the ongoing review of the financial position during autumn recruitment the accounts continue to be prepared on a going concern basis.

Professor N Beech
Vice-Chancellor

8 December 2023

Rt Hon. the Lord Bradley
Chair of Council

GOVERNANCE

MEMBERSHIP OF COUNCIL UP TO AND INCLUDING 31 JULY 2023

	TERM DURING 22/23	ARC	FRC	GNEC	HDC	REMCO	LEAD MEMBER
INDEPENDENT MEMBERS							
Rt Hon. the Lord Bradley (Chair)	2 nd		<i>Ex officio</i>	<i>Ex officio</i>	<i>Ex officio</i>	<i>Ex officio</i>	
Sean O'Hara (Deputy Chair)	3 rd		✓	✓	<i>Ex officio</i>	<i>Ex officio</i>	<i>International</i>
Angela Adimora	1 st		✓				
Professor Dame Sue Bailey	2 nd				✓		
Dr Tony Coombs	2 nd	✓					
Phil Cusack	3 rd					✓	
Garry Dowdle	3 rd		✓				<i>IT</i>
Ben Gallop	3 rd				✓		
Philip Green	1 st	✓					
Merlyn Lowther	2 nd	✓				✓	
Councillor John Merry [until 17 May 2023]	2 nd		<i>Co-optee</i>				
Ian Moston	3 rd		✓				<i>Finance</i>
Micheal Omoniyi	1 st			✓			
Sam Plant	3 rd			✓			
Alan Roff	2 nd		✓				
Helen Taylor	2 nd					✓	
Dr Elsa Zekeng	1 st	✓					
STAFF AND STUDENT							
Professor Helen Marshall (Vice-Chancellor)	<i>Ex officio</i>		<i>Ex officio</i>	<i>Ex officio</i>	<i>Ex officio</i>		
Jennifer Bayjoo [resigned 14 July 2023]	1 st						
Professor Mike Wood [until 30 June 2023]	2 nd			✓			
Dr Katherine Yates	1 st						
Festus Robert [#]	2 nd				✓		
Simeon Anyalemechi [#]	1 st /2 nd						
Anuoluwapo Ubikitan [#]	1 st						
CO-OPTED MEMBERS							
John Bland	2 nd	✓					
Stephen Gleave	2 nd		✓				
Dr Victoria Halliwell	<i>Senate</i>					<i>Senate</i>	
David McGovern	2 nd			✓			
Jo Purves	<i>Ex officio</i>					<i>Ex officio</i> [*]	
Claire Sproston	1 st			✓		✓	
Natalie Walker [resigned 6 June 2023]	1 st	✓				✓	
Nigel Wilcock	1 st	✓					

[#]due to alignment with the election of sabbatical officers of the Students' Union, student members' terms commence on 01 July and cease on 30 June

^{*}ex officio in their capacity as member of Senate

NB: There are currently vacancies for the role of Lead Member for Estates, Lead Member for Human Resources, and Lead Member for Student Experience

KEY:

ARC – Audit and Risk Committee

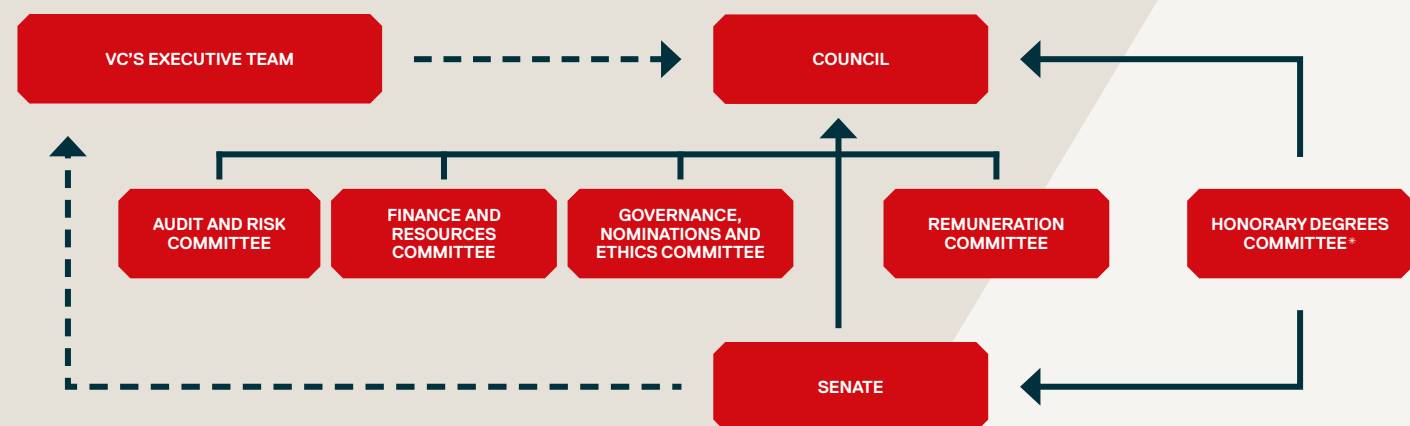
FRC – Finance and Resources Committee

GNEC – Governance, Nominations and Ethics Committee

HDC – Honorary Degrees Committee

REMCO – Remuneration Committee

UNIVERSITY GOVERNANCE AT A GLANCE



*Joint committee of Council and Senate

CORPORATE GOVERNANCE STATEMENT

(IN RESPECT OF FINANCIAL YEAR 2022/23 AND THE PERIOD UP TO THE APPROVAL OF THE FINANCIAL STATEMENTS ON 08 DECEMBER 2023).

This Statement provides an overview on the ways the University executes good governance, strategically drives a successful student experience, and ensures management of risk and internal control.

The University is an independent corporation, whose foundation and legal status derives from a Royal Charter granted in 1967. The Charter and accompanying Statutes (written rules stemming from the Charter) set out the University's objectives, powers and framework of governance and cannot be amended without approval from the Government-appointed Regulatory Body (the Office for Students). The University is a charitable trust and is required to comply with charity law but is exempt from registering with the Charity Commission as its principal regulator is the Office for Students (OfS).

The Charter requires the University to have a supreme governing authority (Council) and an academic authority (Senate). Through the Charter and the Statutes, Council and Senate are granted defined functions and responsibilities. The University has been registered with the OfS since September 2018 and, under the Regulatory Framework for Higher Education in England, Council is responsible for ensuring compliance with the conditions for ongoing registration, including adequate and effective corporate governance, risk management and financial sustainability.

The University is committed to observing the highest standards of governance. Properly enacted this will ensure integrity and objectivity in the transaction of business, and demonstrate probity and, where possible, transparency. In making this commitment, the University has adopted the Higher Education Code of Governance (revised 2020) published by the Committee of University Chairs (CUC), and accordingly also adopted the CUC Higher Education Senior Staff Remuneration Code (revised 2021) and the CUC Higher Education Audit Committees Code of Practice (2020).

The HE Code of Governance adopts and builds on the Principles of Public Life (the 'Nolan Principles') which together provide an overarching ethical framework for the personal and collective behaviours of governors (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). To ensure personal responsibility for compliance with the Nolan Principles and proper conduct of business in the public interest, Council approves and keeps under regular review a Code of Conduct for Members of Council and Senior Officers (revised July 2021). To give practical effect to the Nolan Principles, the University implements (and also keeps under review) a range of corporate policies approved by Council that apply to all council members, colleagues and students (*where indicated):

- Financial Regulations and Delegated Financial Authority**
Regulations and approved authorities to ensure effective accountability, regularity and propriety in the use of public or private funding, creation of value for money, funding use in accordance with any issued grant(s), compliance with relevant legislation, and that the assets of the University are safeguarded.
- Counter Fraud Policy and Response Plan / Anti-Bribery Policy / Criminal Finance Act Policy**
The processes by which suspicion of theft, fraud, bribery, corruption or financial irregularity can be reported, and how these reports are dealt with.
- Register of Interests, Gifts and Hospitality Policy (Declaration and Management Conflicts of Interest)**
Interests (pecuniary or otherwise), gifts and hospitality that could give rise to a perceived, potential or realised conflict of interest are understood, declared and appropriately acted upon, and, where applicable, logged on the Register of Interests and/or the Register of Gifts and Hospitality. Conflicts of interest are also practically managed through the Standing Orders for Committees.
- Whistleblowing Policy**
The process by which an employee can make a disclosure which they believe to be in the public interest (i.e., possibly unethical, criminal, fraudulent or dangerous behaviour), the approach the University is bound to undertake in response to whistleblowing reports, and the management actions it can implement.

There are also value frameworks encompassing wider policy sets, processes and strategic pillars of the Corporate Strategy, local plans, and the common culture:

✓ **The Inclusive University***

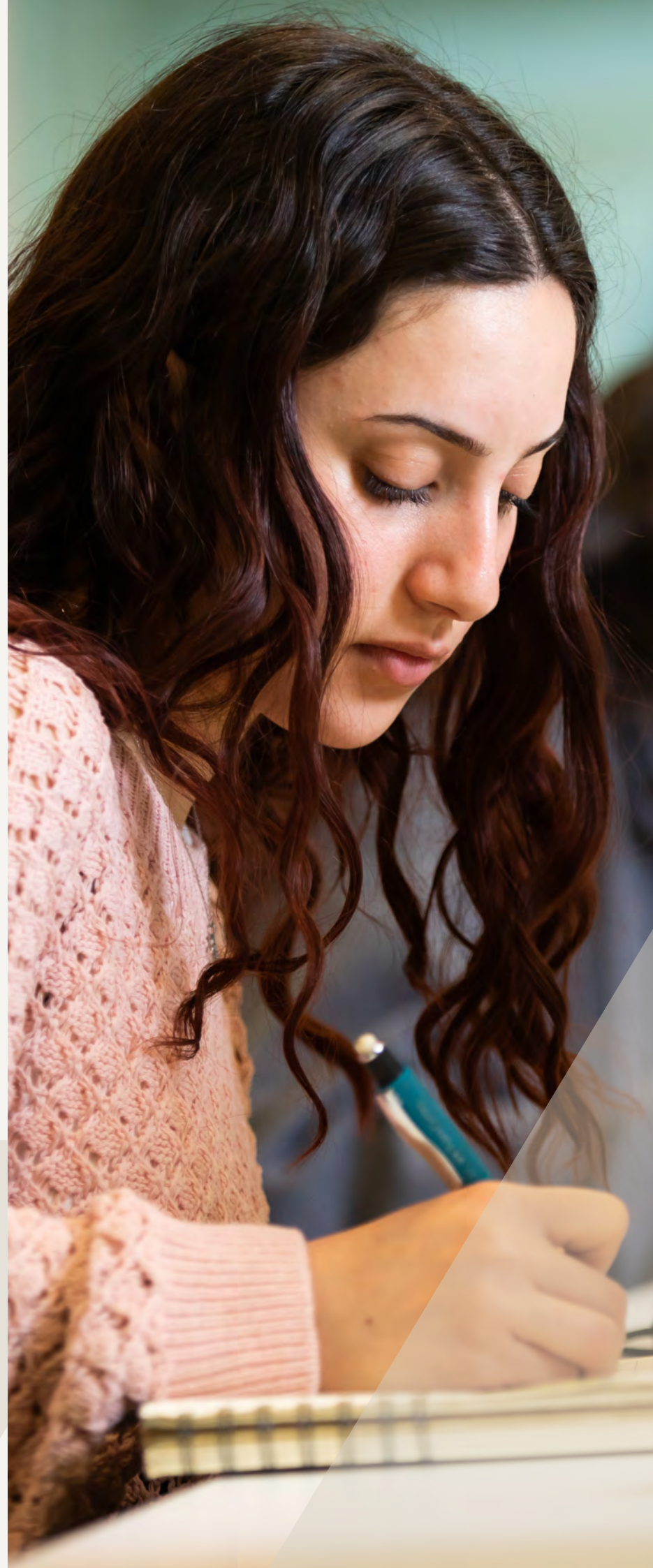
The range of policies that recognise the University's commitment to equity, fairness, autonomy, dignity and respect in the workplace, and safety. The framework also includes the University's Modern Slavery Act Statement, which is approved annually by the Governance, Nominations and Ethics Committee. Council recently approved (April 2023) our Statement of Ambition, a five-year plan to drive our EDI commitments.

✓ **The Ethics Framework***

The ethical considerations that underpin all University functions (this Framework incorporates the policies listed above and more, and is overseen by the Governance, Nominations and Ethics Committee).

The University is committed to transparency in its corporate governance arrangements. To that end the minutes of Council meetings together with the details of the functions, terms of reference and membership of Council and its standing committees are published on its website: salford.ac.uk/governance-and-management/council.

During the 2022/23 committee session, meetings were held in-person but with virtual attendance at the discretion of the Chair, or exceptionally held wholly virtually due to prevailing conditions. Ensuring hybrid or virtual meetings properly enact governance arrangements continues to be overseen by the Governance, Nominations and Ethics Committee.



COUNCIL

Chair: Rt Hon. the Lord Bradley, met six times during 2022/23 (five ordinary and one special meeting to approve appointment of the Vice-Chancellor).

Council is the supreme governing body of the University. It has ultimate responsibility for the affairs of the institution, overseeing effective management and administration, determining its mission and future direction, ensuring there is a robust system of risk management and internal control in place, and managing activities such that it ensures the institution delivers a high-quality student experience, value for money in all of its activities and remains financially sustainable and viable.

The constitution and powers of the Council are laid down in, and limited by, the University's Charter and Statutes. These instruments of governance form the basis of the Scheme of Corporate Governance along with the Ordinances (internal regulations), Standing Orders for Committees, Terms of Reference for Committees, Financial Regulations, Scheme of Delegation and Code of Conduct for Council Members and Senior Officers. The Scheme facilitates effectiveness in decision-making processes and sets out the principal roles and responsibilities for governance and management.

There are a maximum of twenty-four members of Council, the majority of whom must be independent (twenty-three actual members during 2022/23). There are student and staff members, and an appointee from Senate. The role of Secretary to the Council (University Secretary) has been undertaken by interim appointments for part of the 2022/23 session, superseded by a permanent appointment from February 2023.

No members of Council receive payment for their time. They contribute freely and voluntarily, except for reimbursement of expenses (e.g., travel costs). The role of Chair is offered on a compensated basis however the current incumbent has waived this right.

Members of Council are trustees for charitable law purposes.

Council exercises its responsibilities in a corporate manner, decisions are taken collectively by the members acting as a single body in the best interests of the University or, where applicable, specifically the student body (for example, the Student Protection Plan or Access and Participation Plan).

Council approves a **Statement of Primary Responsibilities**. This comprises twelve key duties:

1 / Strategic Development and Planning

Shaping the development of and ultimately approving the University's vision, mission and strategic plan (including relevant sub-strategies in cognisance of the University's obligations to promote equality of opportunity for staff and students).

2 / Monitoring Effectiveness and Performance

Ensuring effective and proactive monitoring of the implementation of the strategic plan (and relevant sub-strategies); this includes confirming that there are effective key performance indicators which, wherever possible and appropriate, are benchmarked against other institutions.

Ensuring that there are in place appropriate arrangements for the management of the University, particularly through appointment of the Vice-Chancellor and other designated senior positions.

Ensuring that there are effective control and accountability mechanisms, including financial and operational controls and risk assessment and management.

Monitoring its own effectiveness as a governing body and reporting thereon.

Putting in place suitable arrangements for monitoring the performance of the Vice-Chancellor and other designated senior positions.

3 / Academic Affairs

Recognising and supporting Senate's role as the academic authority of the University, ensuring that there is effective and satisfactory performance in relation to academic affairs, such as academic partnerships and collaborations, academic quality and the student experience, student recruitment and achievement, data provision and research integrity.

Ensuring, in conjunction with Senate, that the general welfare of students is assured.

Ensuring, in conjunction with Senate, that the principles of academic freedom are maintained.

4 / Legal and Regulatory Commitments and Obligations

Ensuring that the University meets its diverse legal and regulatory obligations (including those relating to health, safety and equality).

5 / Finance

Ensuring the solvency of the University and safeguarding its assets.

Shaping the development of and approving the financial strategy and the overall annual budget, and ensuring its congruence with the overall University strategy.

Ensuring that the funds provided by the OfS are used in accordance with the terms and conditions specified in the OfS terms and conditions.

Considering and approving annual accounts.

Ensuring that, subject to relevant legislation, appropriate arrangements are in place for the management and operation of such companies as are wholly or partly owned by the University.

Acting as a trustee for any property, legacy, endowment, bequest or gift in support of the welfare of the University.

6 / Audit and Risk

Directing and overseeing the University's arrangements for internal and external audit. This includes ensuring an effective approach to risk management, control and governance (including ensuring the probity of the financial statements and the effective management and quality assurance of data submitted to funding bodies).

7 / Estate Management

Shaping the development of, approving and subsequently reviewing an estates strategy that identifies the property and infrastructure requirements (including information technology requirements) needed to fulfil the objectives of the University's strategic plan.

Providing for a planned programme of maintenance for the University's estate.

Considering and approving all acquisitions and all disposals of land and property.

8 / Human Resource Management

Shaping the development of, approving and subsequently reviewing the University's human resources strategy and policies, including remuneration policy.

Ensuring the University has clear procedures for handling internal grievances and for managing conflicts of interest.

Appointing the Vice-Chancellor and other senior designated positions and setting the terms and conditions for these posts.

9 / Governance and Management

Ensuring that all students and staff have opportunities to engage with the governance and management of the institution.

10 / Ethics and Values

Conducting its business in accordance with best practice in corporate governance and with the principles of public life as drawn up by the Committee on Standards in Public Life.

Safeguarding the good name and values of the University and being responsible for the ethical governance of the University.

Promoting a culture which supports inclusivity across the University.

Protecting the principle of freedom of speech in line with legislation.

11 / Public Benefit

Ensuring that, as an Exempt Charity, the University's obligations to demonstrate public benefit are met.

12 / Students' Union

Ensuring that the Students' Union operates in a fair and democratic manner and is accountable for its finances.



Student experience continues to be the lead standing item at each meeting of Council, providing a platform for a range of individual 'lived experiences' to be discussed. During 2022/23, topics included tackling loneliness, receiving the right support, and students working as consultants for the University in the preparation of the Access and Participation Plan and to address the Equality of Opportunities Risk Register (Council approved the Plan at the same meeting following this discussion). Biannual reports from the University of Salford Students' Union are received in the Autumn and Spring meetings, in accordance with Council's statutory duties to oversee aspects of the Union's performance and operation, and reports on the University's Enabling Student Success action plan were a standing item throughout this session.

Alongside scheduled business, Council received updates on changes to conditions of regulation relating to student outcomes and teaching excellence, regular updates on the progression towards a submission in the Teaching Excellence Framework, and the quality of training provision of its higher and degree apprenticeship programmes. Two additional development sessions explored the policy environment and delivery of the Corporate Strategy (October 2022) and themes of institutional change (April 2023).

There are four standing Committees of Council: Audit and Risk; Finance and Resources; Governance, Nominations and Ethics; and Remuneration. In addition, there is one committee established jointly with Senate: Honorary Degrees.

Members of Council may be appointed to serve on one or more of the standing committees, in order for it to properly discharge its duties and responsibilities. Other special or ad hoc working groups may be established from time to time and will meet as appropriate. Between October 2022 and June 2023, a task and finish group convened to search for the next Vice-Chancellor of the University. This successfully concluded following colleague and student participation in recruitment assessment and made its recommendation to Council with Professor Nic Beech appointed. Council also confirmed the enactment of arrangements for the short period between appointments, including written approval from the OfS for the changes in the Accountable Officer, and approved the approach to the transitional period.

Each standing committee has written terms of reference. Governance, Nominations and Ethics Committee annually reviews the terms for each standing committee, thus ensuring that Council fulfils its responsibilities to ensure effective governance and controls. Key items taken by each committee during 2022/23 are outlined below:



AUDIT AND RISK COMMITTEE (ARC)

Chair: Merlyn Lowther, met five times during 2022/23.

- / Internal audit, including activities developed during the rapid response to the Covid-19 pandemic that had been retained (following the advisory audit).
- / External audit, including statutory end-of-year accounts.
- / Corporate Risk Register.
- / Health and safety annual report.
- / Regulatory compliance, including reportable events to the OfS and regulatory returns.
- / Annual value-for-money report (aligned to the OfS VFM Strategy, 2019).
- / Transparent Approach to Costing (TRAC) (the return on the allocation of resources between Teaching, Research and Enterprise).
- / Oversight of cybersecurity arrangements.
- / Policy assurance (e.g., Whistleblowing Policy and Data Quality Policy).
- / The developing regulatory approach of the OfS in preventing fraud on campus.

FINANCE AND RESOURCES COMMITTEE (FRC)

Chair: Sean O'Hara, met six times during 2022/23 (five ordinary and one special meeting), plus attended Audit and Risk Committee for the item considering the annual financial statements and statutory returns to the OfS.

- / Financial performance and solvency, including subsidiary companies.
- / Oversight of University pension schemes.
- / Estate and facilities management, including the Campus Masterplan.
- / Annual report of the delivery of the Environmental Sustainability Plan.
- / Oversight of human resources under the People Plan and development of the people strategy.
- / Delivery of a digitally enabled campus and development of digital strategic plan.
- / Student recruitment and student experience/ value-for-money, including recruitment planning for international admissions.
- / Review of the 5-year financial forecast.
- / Bad Debt Recovery Report.
- / Treasury Management.

GOVERNANCE, NOMINATIONS AND ETHICS COMMITTEE (GNEC)

Chair: Sam Plant, met five times during 2022/23 (four ordinary and one special meeting).

- / Oversight and assurance of corporate governance arrangements.
- / Whistleblowing reports.
- / Policy Review, including Whistleblowing Policy, ethical fundraising, and the Freedom of Speech Policy.
- / Oversight of the University's responsibilities for safeguarding and for the Prevent Agenda.
- / Oversight of the ethical framework (non-academic).
- / Council membership and succession planning, including skills assessment and balance of diverse characteristics.
- / Implementation of the recommendations of the 2020 Council Effectiveness Review.
- / Review of relationships between terms of reference for standing committees of Council.

REMUNERATION COMMITTEE (REMCO)

Chair: Helen Taylor, met six times during 2022/23 (four ordinary and two special meetings).

- / Review of Vice-Chancellor's performance.
- / Senior management remuneration and reward (and the framework as applicable to senior staff).
- / Compliance with the CUC Higher Education Senior Staff Remuneration Code, including the Annual Remuneration Report and the Gender Pay Gap Report.
- / Review of terms of reference for the Committee.

HONORARY DEGREES COMMITTEE (HDC)

Chair: Professor Helen Marshall, met twice during 2022/23.

- / Consideration of nominees to receive an honorary award.





VICE-CHANCELLOR'S EXECUTIVE TEAM MEETING

Chair: Professor Helen Marshall, met fortnightly during 2022/23.

As Chief Executive Officer of the University, the Vice-Chancellor is appointed by, and accountable to, Council. Under the terms of the Financial Memorandum between the University and the OfS the Vice-Chancellor is the nominated Accountable Officer and can in that capacity be summoned to appear before the Public Accounts Committee of the House of Commons.

The Vice-Chancellor's Executive Team (VCET) supports the Vice-Chancellor in her responsibility for effective management of the University's performance and the delivery of the University's strategic and operational plans. Where applicable, VCET makes recommendations to the Council or its standing committees.

In addition to the Vice-Chancellor the Executive Team comprised:

- ✓ the Pro Vice-Chancellor Academic Development;
- ✓ the Pro Vice-Chancellor Education and Student Experience;
- ✓ the Pro Vice-Chancellor Research and Enterprise;
- ✓ the Chief Operating Officer;
- ✓ the Associate Chief Operating Officer;
- ✓ the Executive Director of Finance;
- ✓ the Executive Director of Human Resources and Organisational Development.

In attendance at VCET Meetings during 2022/23 were the Associate Pro Vice-Chancellor for Equity, Diversity and Inclusion, Director of Strategy, Executive Director of Governance and Assurance and University Secretary, Dean of the School of Health and Society, Dean of the School of Science, Engineering and Environment, Dean of the School of Arts, Media and Creative Technologies, Dean of the Salford Business School, and Chief Information Officer.

SENATE

Chair: Professor Helen Marshall, met five times during 2022/23 (four ordinary and one special meeting).

Senate's primary duty is to oversee learning, teaching and research, including the academic quality and standards of the University, ensuring that its academic activities, including mutually beneficial collaborations, develop and flourish. The Senate draws its membership from the staff and student bodies of the University.

- ✓ Assurance and enhancement of the quality of learning opportunities, academic practices and the student experience.
- ✓ Development and promotion of research and innovation.
- ✓ Authorisation of the University's Academic Regulations and accompanying academic policies and procedures.
- ✓ Oversight of academic audit.

STATEMENT OF INTERNAL CONTROL (CORPORATE GOVERNANCE)

(in respect of financial year 2022/23 and the period up to the approval of the financial statements on 08 December 2023).

As the Council of the University of Salford, we are responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible.

This is in accordance with the responsibilities assigned to the Council in the Charter and its accompanying Statutes and the Financial Memorandum with the OfS.

The key elements of the University of Salford Group's (i.e. University of Salford and subsidiary companies controlled by the University of Salford) system of internal financial controls, which are designed to discharge the responsibilities include the following:

- a** ✓ Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and professional support service departments.
- b** ✓ A 5 year planning process with annual review.
- c** ✓ Regular reviews of academic and professional support service performance.
- d** ✓ Clearly defined and formalised requirements for approval and control of expenditure, with capital expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council.
- e** ✓ Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the University Council. Supplementing the Financial Regulations are policies designed to prevent and detect fraud, corruption, bribery and other irregularities as well as a Counter Fraud Response plan.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks; including business, operational, compliance and financial, to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently and economically. These procedures have been in operation throughout the year ended 31 July 2023 and up to the date of the approval of the financial report and accounts.

We have undertaken the following actions in respect of our risk management strategy:

- a** ✓ In accordance with the approved Risk Management Policy, a Corporate Risk Register is maintained and reviewed. The Corporate Risk Register looks at all risks including financial, business, operational (Schools, Professional Support and subsidiaries), projects and compliance and considers the likelihood of a risk occurring, the impact and threat and also mitigating action that is being taken to manage the risk.

- b** ✓ Charged the Vice-Chancellor's Executive Team with overseeing the management of risk.
- c** ✓ The Vice-Chancellor's Executive Team receive quarterly risk management and internal control updates and risk management is embedded in day to day operations at both School and Professional Support levels.

We have ensured that our meeting calendar and agendas enable risk management and internal control to be considered on a regular basis during the year. Risk management is incorporated into the corporate planning and decision making processes of the institution.

We receive periodic reports from the Audit and Risk Committee concerning internal control, including recommendations of improvement and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.

In the academic year 2022/23, the University's internal audit service was provided by PricewaterhouseCoopers (PWC) which operates to standards defined in the OfS Audit Code of Practice. The internal auditors submit regular reports which include an independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement and the University's performance in delivering value for money. PWC undertook 10 internal audit reviews during 2022/23 with 6 rated at a "Medium risk" classification and 4 rated at a "Low risk" classification. A total of 30 recommendations were made of which 18 were graded "medium" and 12 were graded "low". PWC undertook follow up work on previous recommendations in 2022/23 and concluded that 100% of audit recommendations had been implemented. Based on the reviews undertaken during 2022/23, PWC concluded that "Governance, risk management and control and value for money arrangements in relation to business critical areas is generally satisfactory. However, there are some areas of weakness and non-compliance which potentially put the achievement of objectives at risk." This opinion is the second highest of the four opinions available.

In 2022/23 the University's external audit was undertaken by KPMG. The primary focus of external audit is to obtain reasonable assurance that the financial statements are free from material error and that funds from external sources including OfS have been applied in accordance with the terms and conditions of funding. In undertaking the audit, the external auditors review the internal controls that are relied upon in producing the financial statements and highlight weaknesses - no significant weaknesses were highlighted during the audit. The external auditors are not required to comment on the University's value for money during the audit but do provide benchmarking information on the University's performance relative to other institutions.

Our review of the effectiveness of the system of internal control is informed by both the work of the internal and external auditors and the senior 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.

STATEMENT OF COUNCIL RESPONSIBILITIES

IN RESPECT OF THE INTEGRATED REPORT AND FINANCIAL STATEMENTS

The Council are responsible for preparing the Integrated 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.

We are required to prepare 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 requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

We are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period. In preparing each of the Group and parent University financial statements, we 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 (and the 2019 Statement of Recommended Practice - Accounting for Further and Higher Education) 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.

We are 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. We are responsible for such internal control as we 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.

We 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;
- / Income has been applied in accordance with the University's statutes;
- / Funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education 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.

We are 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.

Rt Hon. the Lord Bradley
Chair of Council

08 December 2023



THANKS TO YOU



University of
Salford
MANCHESTER



DONATE

Over **£1,600,000** has been generously donated and pledged in the last year to support a range of causes across campus, from scholarships to community outreach projects and developing our world-class facilities.

Nearly **£10,000** has been donated to support women in Science, Technology, Engineering and Mathematics (STEM), including the Gittins Engineering Scholarship which supports 3 women who wish to pursue a career in the STEM industry.

"I would like to say a massive thank you for granting me this scholarship. I am very grateful and excited to utilise these funds you have provided. This will further my knowledge, skills and, overall, better my future career!"

Caitlin Brackenridge
Sound Engineering and Production Scholar

10 student focussed projects launched through the Revive Grants and Salford Advantage Fund Grants, including;

- / Creative Encounters
- / Identifying Reasons - Mental Health
- / STEM Future Leaders
- / Salford University Monologue Slam (SUMS)
- / Sustainable Photography
- / Visual Belonging



£44,000 has been generously donated via legacies or in memory of a loved one. This year we opened the University's first legacy garden, to commemorate those who have remembered the University in this way. A central sculpture was designed by Gillian Davenport, one of our Fine Art graduates. When asked about the design Gillian said,

"The most important element of the design was the Legacy Tree etched into the three panels of glass. The roots are visible to connect the family tree and falling leaves are visible to give the viewer the sense of how fragile life is but also of regrowth."



With thanks to our **Friends of Energy House 2.0**, in 2022 we raised a total of **£120,000**. £60,000 of the funds raised went towards the Impact Fund, supporting three projects which were designed to support the advancement of our national and global move towards net-zero. The other half of the funding was awarded to a PhD.

In 2023, we raised almost **£300,000**. £95,000 will go towards the Impact Fund, £170,000 will be spent on two PhDs, and the remainder will be spent on scholarships across a range of programmes.

43 individuals generously donated **£9,500** to our Student Hardship Fund.

Through our partnership with IntoUniversity, thanks to our donors, we have raised nearly **£400,000**, which is estimated to benefit over 1,000 local school pupils a year who aspire to attend university.

86 students and recent graduates were in receipt of a donor-funded scholarship or prize during the academic year of 2022/2023.



"Thank you for allowing me to receive this scholarship. I'm immensely grateful and the positive impact it's already had on my daily life is tangible."

Alexis Adelakun
Mechanical Engineering Scholar

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF SALFORD REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of the University of Salford ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Cash Flow Statement and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- ✓ give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2023, and of the Group's and 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 UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The Council has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- ✓ we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- ✓ we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- ✓ Enquiring of the Council and the Audit and Risk Committee and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- ✓ Reading Board, Audit and Risk Committee and Remuneration Committee minutes.
- ✓ Obtaining a copy of the Group's risk register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to tuition fees being generally based

on standard fee rates and due to the relatively low level of variable fees. We don't believe there to be an incentive to manipulate other income streams that are material.

We did not identify any additional fraud risks.

We performed procedures including:

- ✓ Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those with a debit entry to cash and a corresponding credit entry to something other than income or debtors.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Council and other management (as required by auditing standards), and discussed with the Council and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), taxation legislation, pensions legislation higher education financial reporting related regulation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with Higher Education regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to

enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

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. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

The Council is responsible for the other information, which comprises the Strategic Review and the Report of the Governors and Corporate Governance Statement and the Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.



COUNCIL RESPONSIBILITIES

As explained more fully in their statement set out on page 44, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent 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 it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities).

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 Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- ✓ income has been applied in accordance with the University's Statutes;
- ✓ funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- ✓ the financial statements meet the requirements of the Accounts Direction.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 10b has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council and in accordance with the Articles, Charters, Statutes or Ordinances of the University. Our audit work has been undertaken so that we might state to the Council 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 Council for our audit work, for this report, or for the opinions we have formed.

Timothy Cutler
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

12 December 2023



CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE YEAR ENDED 31 JULY 2023

	Notes	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	212,348	210,790	200,417	199,073
Funding body grants	2	23,824	23,824	21,206	21,206
Research grants and contracts	3	6,663	6,663	6,775	6,775
Other income	5	20,150	20,085	17,746	17,649
Investment income	6	4,537	4,536	748	747
Donations and endowments	7	859	859	989	989
Total income		268,381	266,757	247,881	246,439
Expenditure					
Staff costs	8	136,425	132,895	125,856	122,802
Change in USS deficit recovery plan	8a	-	-	38,501	38,501
Other operating expenses	10	92,684	94,502	80,854	82,457
Depreciation	12	15,519	15,519	14,137	14,137
Interest and other finance costs	9	3,860	3,871	4,997	4,998
Total expenditure		248,488	246,787	264,345	262,895
Surplus / (Deficit) before other (losses) / gains		19,893	19,970	(16,464)	(16,456)
Loss on disposal of fixed assets	12	-	-	(107)	(107)
Surplus / (Deficit) before disposal of investments		19,893	19,970	(16,571)	(16,563)
Gain on disposal of investment		-	-	530	-
Surplus / (Deficit) before tax		19,893	19,970	(16,041)	(16,563)
Taxation	11	-	-	-	-
Surplus / (Deficit) for the year		19,893	19,970	(16,041)	(16,563)
Actuarial (loss) / gain in respect of pension schemes	30	(4,270)	(4,270)	117,961	117,961
Change in fair value of hedging financial instruments	33	3,500	3,500	5,020	5,020
Total comprehensive income for the year		19,123	19,200	106,940	106,418

CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (CONTINUED) YEAR ENDED 31 JULY 2023

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Represented by:				
Endowment comprehensive (expenditure) / income for the year	(50)	(50)	(108)	(108)
Restricted comprehensive income / (expenditure) for the year	240	240	626	626
Unrestricted comprehensive income / (expenditure) for the year	18,933	19,010	106,422	105,900
	19,123	19,200	106,940	106,418
Surplus / (Deficit) for the year attributable to:				
University	19,893	19,970	(16,041)	(16,563)

The accompanying notes form part of the financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

INCOME AND EXPENDITURE ACCOUNT						
	Endowment	Restricted	Unrestricted	Hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	677	628	54,822	(8,417)	31,567	79,277
Surplus / (deficit) from the income and expenditure statement	(108)	626	(16,559)	-	-	(16,041)
Other comprehensive income / (expenditure)	-	-	117,961	5,020	-	122,981
Transfers between revaluation and income and expenditure reserve	-	-	3,887	-	(3,887)	-
Total comprehensive income / (expenditure) for the year	(108)	626	105,289	5,020	(3,887)	106,940
Balance at 1 August 2022	569	1,254	160,111	(3,397)	27,680	186,217
Surplus / (Deficit) from the income and expenditure statement	(50)	240	19,703	-	-	19,893
Other comprehensive (expenditure) / income	-	-	(4,270)	3,500	-	(770)
Transfers between revaluation and income and expenditure reserve	-	-	2,890	-	(2,890)	-
Total comprehensive income / (expenditure) for the year	(50)	240	18,323	3,500	(2,890)	19,123
Balance at 31 July 2023	519	1,494	178,434	103	24,790	205,340

The accompanying notes form part of the financial statements.

INSTITUTION STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

INCOME AND EXPENDITURE ACCOUNT						
	Endowment	Restricted	Unrestricted	Hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	677	628	54,515	(8,417)	31,567	78,970
Surplus / (deficit) from the income and expenditure statement	(108)	626	(17,081)	-	-	(16,563)
Other comprehensive income / (expenditure)	-	-	117,961	5,020	-	122,981
Transfers between revaluation and income and expenditure reserve	-	-	3,887	-	(3,887)	-
Total comprehensive income / (expenditure) for the year	(108)	626	104,767	5,020	(3,887)	106,418
Balance at 1 August 2022	569	1,254	159,282	(3,397)	27,680	185,388
Surplus / (Deficit) from the income and expenditure statement	(50)	240	19,780	-	-	19,970
Other comprehensive (expenditure) / income	-	-	(4,270)	3,500	-	(770)
Transfers between revaluation and income and expenditure reserve	-	-	2,890	-	(2,890)	-
Total comprehensive income / (expenditure) for the year	(50)	240	18,400	3,500	(2,890)	19,200
Balance at 31 July 2023	519	1,494	177,682	103	24,790	204,588

The accompanying notes form part of the financial statements.



CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

	Notes	AS AT 31 JULY 2023		AS AT 31 JULY 2022	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-current assets					
Fixed assets	12	226,764	226,764	223,430	223,430
Investments	14	128	171	128	171
Pension asset	15	-	-	5,156	5,156
		<u>226,892</u>	<u>226,935</u>	<u>228,714</u>	<u>228,757</u>
Current assets					
Stock	16	140	140	31	31
Trade and other receivables	17	35,938	35,675	30,586	30,364
Investments	18	127,252	127,252	100,791	100,791
Cash and cash equivalents	25	22,136	21,782	33,505	33,327
		<u>185,466</u>	<u>184,849</u>	<u>164,913</u>	<u>164,513</u>
Less: Creditors: amounts falling due within one year	19	(79,786)	(79,964)	(76,455)	(76,927)
Net current assets		<u>105,680</u>	<u>104,885</u>	<u>88,458</u>	<u>87,586</u>
Total assets less current liabilities		<u>332,572</u>	<u>331,820</u>	<u>317,172</u>	<u>316,343</u>
Creditors: amounts falling due after more than one year	20	(51,940)	(51,940)	(55,971)	(55,971)
Provisions for liabilities					
Pension provisions	21	(72,951)	(72,951)	(73,178)	(73,178)
Other provisions	21	(2,341)	(2,341)	(1,806)	(1,806)
Total net assets		<u>205,340</u>	<u>204,588</u>	<u>186,217</u>	<u>185,388</u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	23	519	519	569	569
Income and expenditure reserve - restricted reserve	24	1,494	1,494	1,254	1,254
Unrestricted reserves					
Income and expenditure reserve – unrestricted		178,434	177,682	160,111	159,282
Revaluation reserve		24,790	24,790	27,680	27,680
Hedge reserve	33	103	103	(3,397)	(3,397)
Total reserves		<u>205,340</u>	<u>204,588</u>	<u>186,217</u>	<u>185,388</u>

The accompanying notes form part of the financial statements.

The financial statements were approved by the Council on 8 December 2023 and were signed on its behalf on that date by:

Rt Hon. the Lord Bradley
Chair of Council

Professor Nic Beech
Vice-Chancellor

Mrs Julie Charge
Executive Director Finance

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2023

	NOTES	YEAR ENDED	YEAR ENDED
		31 JULY 2023	31 JULY 2022
		£'000	£'000
Cash flow from operating activities			
Surplus / (Deficit) for the year before taxation		19,893	(16,041)
Adjustment for non-cash items			
Depreciation	12	15,519	14,137
(Increase) / Decrease in stock		(109)	75
(Increase) in debtors		(7,193)	(745)
Increase in creditors		5,839	7,604
(Increase) / Decrease in pension provision		(1,256)	41,904
Increase in other provisions		535	211
Adjustment for investing or financing activities			
Investment income	6	(4,537)	(748)
Interest payable	9	3,860	4,997
Endowment Income		-	-
Loss on disposal of fixed assets		-	107
(Profit) on disposal of investments		-	(530)
Deferred capital grant release		(2,458)	(2,465)
Cash flow from operating activities		<u>30,093</u>	<u>48,506</u>
Taxation		-	-
Net cash inflow from operating activities		<u>30,093</u>	<u>48,506</u>
Cash flows from investing activities			
(Placement) / Withdrawal of deposits		(26,516)	15,828
Investment income		4,374	748
Receipts from disposal of fixed assets		-	-
Receipts from disposal of investments		-	530
Payments made to acquire fixed assets		(22,275)	(44,207)
Deferred capital grants received		6,323	6,905
		<u>(38,094)</u>	<u>(20,196)</u>
Cash flows from financing activities			
Interest paid		(1,705)	(2,977)
Repayments of amounts borrowed		(1,663)	(26,160)
		<u>(3,368)</u>	<u>(29,137)</u>
Decrease in cash and cash equivalents in the year		<u>(11,369)</u>	<u>(827)</u>
Cash and cash equivalents at beginning of the year	25	33,505	34,332
Cash and cash equivalents at end of the year	25	22,136	33,505

The accompanying notes form part of the financial statements.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

1/ ACCOUNTING CONVENTION

The Consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued 2019. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the OfS and the Terms and conditions of Research England Grant.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

2/ BASIS OF PREPARATION

The Consolidated and Institution financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and derivative financial instruments).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review which forms part of the Integrated Report. The Integrated Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the University Council consider to be appropriate for the following reasons.

The University prepares a 5 year financial plan which is updated and approved on an annual basis. The most recent plan was approved on the 14 July 2023 by the University Council. As part of the plan University Council considered the impact of several scenarios on the financial plan and Council adopted a stress testing framework against the plan. The stress testing impacts were measured against loan covenants and potential mitigating actions were identified to reduce expenditure.

Post approval of budget student retention and research and enterprise income has continued to be reviewed. After student enrolment the financial plan for the next two years has been updated and further scenario testing undertaken including plausible downsides in the worst case assessment.

The financial plan has included preparing monthly cash flow forecasts up until July 2025.

The University Council after reviewing the original 5 year financial plan and the groups updated financial plan after student registration, is of the opinion that, having taken account a range of plausible downsides the group and

university have adequate resources to continue for the foreseeable future. The University Council believe the group and University has sufficient funding in place to be compliant with its debt covenants even in downside scenarios.

Consequently, the Council are confident that the Group and University will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of financial statements and therefore have prepared the financial statements on a going concern basis.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

3/ EXEMPTIONS UNDER FRS102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

4/ BASIS OF CONSOLIDATION

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2023.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Normal trading transactions that are not settled by the Statement of Financial Position date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution's share is eliminated.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

5/ INCOME RECOGNITION

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or 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 Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the statement of income and expenditure on a receivable basis

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.

GRANT FUNDING

Government revenue grants including funding council block and research 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.



DONATIONS AND ENDOWMENTS

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

There are four main types of donations and endowments with restrictions:

- 1/ Restricted donations - the donor has specified that the donation must be used for a particular objective.
- 2/ 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 University.
- 3/ Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
- 4/ 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.

CAPITAL GRANTS

Capital government grants in respect of buildings and equipment are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the Consolidated Statement of Comprehensive Income and Expenditure over the useful life of the asset, at the same rate as the depreciation charge on the asset for which the grant is awarded. Government research grants are also treated as deferred capital grants with the grants credited to deferred capital grants with an annual transfer made to the Consolidated Statement of Comprehensive Income and Expenditure over the life of the grant, at the same rate as the depreciation charge on the asset for which the grant is awarded. Where part of a capital 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.

Capital government grants in respect of land and other capital grants and donations from non-government sources are recorded in income when the University is entitled to income subject to any performance related conditions being met.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

6 / ACCOUNTING FOR RETIREMENT BENEFITS

The four principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the Greater Manchester Pension Fund (GMPF), University of Salford Pension Plan (USPP) and the Teachers' Pension Scheme (TPS).

USS, GMPF and TPS schemes are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P). Each of these funds is valued every three years by professionally qualified independent actuaries. USPP is a defined contribution scheme which is contracted out of S2P.

The USS and TPS are multi-employer schemes for which it is not possible to identify the assets and liabilities to the University due to the mutual nature of the scheme and therefore these schemes are accounted for as a defined contribution retirement benefit scheme.

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

DEFINED CONTRIBUTION PLAN

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

MULTI-EMPLOYER SCHEMES

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the University has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

DEFINED BENEFIT PLAN

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, 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 net position is recognised in the Statement of Financial Position sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. This net defined position 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 plan 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.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net return is calculated by applying the discount rate to the net asset. This cost is recognised in expenditure as investment income.

Further detail is provided on the specific pension schemes in note 30 to the accounts.

7 / 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.

8 / 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 leases 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.

9 / SERVICE CONCESSION ARRANGEMENTS

Nominations held under service concession arrangements are recognised on the Statement of Financial Position at the value of guaranteed nominations as a "Service Concession – Right to Use an Asset" and a corresponding "Service Concession Obligation". The asset and liability are then recognised in the Statement of Comprehensive Income and Expenditure over the life of the guaranteed nomination.

10 / 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.

11 / FOREIGN CURRENCY

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Surplus or Deficit (except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in other comprehensive income). Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations are translated to the Group's presentational currency, (Sterling), at foreign exchange rates ruling at the Statement of Financial Position date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the exchange differences shall be recognised in other comprehensive income and accumulated in reserves.

12 / FIXED ASSETS LAND AND BUILDINGS

Land and buildings are capitalised at cost on initial recognition.

After initial recognition land and buildings are subsequently measured at cost/ deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued at 31 July 2014, the date of transition to 2015 SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Costs incurred in relation to land and buildings after initial purchase or construction, and post the 31 July 2014 valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of up to 60 years on the amount at which the tangible fixed asset is included in the Statement of Financial Position less their estimated residual value.

Refurbishment costs are depreciated over 10 years.

Where an item of land and buildings comprise two or more major components with substantially different useful economic lives (UELs), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred.

No depreciation is charged on assets in the course of construction.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

EQUIPMENT

Equipment, including computers and software, costing less than £50,000 (prior to 31 July 2013: £20,000) per individual item is written off in the year of acquisition. All other equipment including groups of related items costing more than £50,000 and equipment in respect of the fit out of new buildings is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- / Computer Equipment 3 years.
- / Equipment acquired for specific research projects 2-5 years according to the period of the grant.
- / Other Equipment up to 20 years.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

IMPAIRMENT

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 of the property, plant and equipment 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 and Expenditure.

BORROWING COSTS

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

13 / INTANGIBLE ASSETS

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

14 / INVESTMENTS

Non-current asset investments are held on the Statement of Financial Position at amortised cost less impairment.

Investments in associates and subsidiaries are carried at cost less impairment in the University's accounts. Investments in associates are also carried at cost in the consolidated accounts as the University group does not participate in the day to day management of such companies and the value of the holding is not material to the consolidated accounts. Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

15 / FINANCIAL INSTRUMENTS

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the Institution 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 a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, 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.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method. To the extent that the Institution enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Institution does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

16 / DERIVATIVES

Derivatives are held on the Statement of Financial Position at fair value. The University has adopted and complied with the requirements of hedge accounting and as a result movements in fair value are recorded within other comprehensive income.

17 / STOCK

Stock is held at the lower of cost and selling price less costs to complete and sell.

18 / 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

19 / PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

- The University has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a probable obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

20 / TAXATION

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

21 / RESERVES

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

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



CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the University's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

SIGNIFICANT JUDGEMENTS:

Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

(a) Income recognition (See Notes 1-5)

Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

(b) Useful lives of property, plant and equipment (See Note 12)

Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

(c) Impairment of property plant and equipment (See Note 12)

The assets carrying value are reviewed each year end to consider obsolescence and physical damage and also whether future business plans require the carrying value of the assets to be impaired. External valuers have been used to assist in this process where appropriate.

(d) Accounting for car parking at the Peel Park accommodation (See Note 12)

In autumn 2015 the University entered into a 45 year arrangement with Aberdeen Standard Investments (ASI) for the provision of car parking at the Peel Park accommodation. As the University assumes the risks and rewards of ownership this has been accounted for as a finance lease with a fixed asset net of depreciation to date of £3,901,000 (2021-22 £4,009,000) and liability of £5,387,000 (2021-22 £5,312,000) recognised on the Statement of Financial Position sheet which

is then accounted for in accordance with the finance lease accounting policies.

(e) Accounting for service concession arrangements (See Note 13)

The University has an annual nominations arrangement with Campus Living Villages where it nominates rooms for students on the Peel Park accommodation within the University campus. As detailed in Note 13 the University accounts for this under a service concession arrangement reflecting the value of these nominations within the Statement of Financial Position with the annual nominations then unwound in the Statement of Comprehensive Income and Expenditure the following financial year. During 2022-23 the University has signed a Deed of Variation with Aberdeen Standard Investments (ASI) and Salford Village Limited allowing the University to develop up to 850 further student accommodation beds. Consequently in respect of academic years 23/24, 24/25, 25/26, 26/27 and 27/28, if the number of available units that are either reserved or allocated to a student or other occupant is fewer than 96% of the available lets for the relevant academic year, the University is required to reserve an additional number of available units in respect of the relevant academic year up to 16% of the total number of available units for these future years.

The University has nominated 100% of rooms for Peel Park Quarter in respect of 2023-24. No nominations have been made in respect of 2024-25 onwards, but for academic years 2018-19 onwards 100% of the rooms have been nominated and it is currently considered unlikely that future nominations will fall below 96% so no additional provision has been made for a potential 16% of available lets in respect of 2024-25, 2025-26, 2026-27 and 2027-28.

(f) Accounting for hedge arrangements (See Note 22 and 33)

The University has a derivative in place in order to fix the interest rate for the period of the loan. The University Council is satisfied that the conditions are met to account for this under hedge accounting so that movements are separately disclosed after surplus after tax within the Consolidated Statement of Comprehensive Income and Expenditure and a separate hedge reserve is created within reserves in the Statement of Financial Position

CRITICAL ACCOUNTING ESTIMATES:

(a) Recoverability of debtors (See Note 17)

The University has a material level of exposure to the collection of trade and tuition receivables. The estimate for receivables is net of a bad debt provision. The University has bad debt provisions in respect of both student and commercial and research debt. The student bad debt provision is calculated on a specific basis according to where the student

or the student sponsor is in the debt collection cycle with most debt over 12 months old provided for in full.

The commercial and research debt is also calculated on a specific basis according to where the debt is in the debt collection cycle with most debt over 12 months old provided for in full except for EU funded research grants where the recovery period is longer. The provision basis for both student and commercial and research debt is still considered appropriate in the current economic environment.

(b) Accounting for retirement benefits

(i) Pensions - University Superannuation Scheme (USS) (See Note 21 (A) and 30 (i))

The University recognises a provision for its obligation to fund deficits arising within the (USS). The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation which requires deficit recovery payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 increasing to 6.3% from 1 April 2024 to 30 April 2038. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing discount rate at July 2023. Note 21 details the impact of change in assumptions.

(ii) Pensions – Enhancement on termination – (TPS) (See Note 21 (B))

The University has a provision for enhanced pensions for former employees who were members of the TPS. Details of this liability are disclosed in Note 21 (B). This provision is based on management's estimate of the prevailing discount rate and life expectancy at the year end.

(iii) Pensions – Greater Manchester Pension Fund (GMPF) – See Note 15 and 30 (ii)

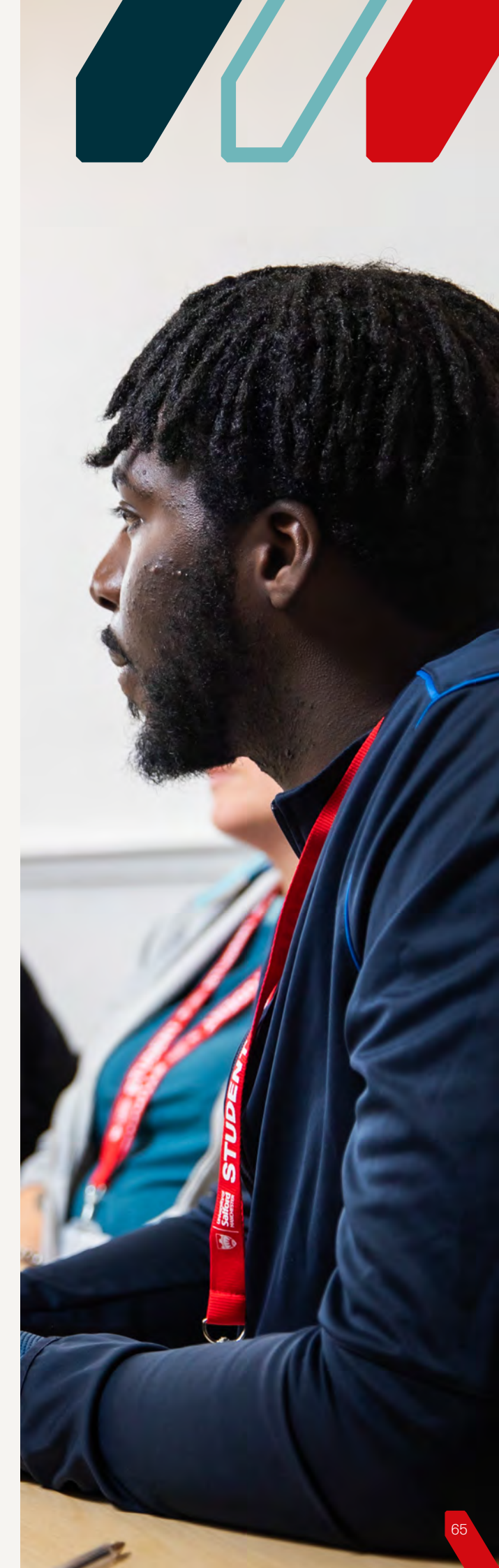
The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. The assumptions are the responsibility of management and are set following advice received from a qualified actuary. The return on the Fund in market value terms for the period to 31 July 2023 is estimated based on actual Fund returns as provided by the Tameside Metropolitan Borough Council (Administering Authority) and index returns, where necessary.

The GMPF actuary has not updated the mortality assumption as at the last formal valuation of 31 March 2022 to reflect the potential effects of Covid-19. This is mainly because there remains uncertainty over the Covid-19 impact on long term- mortality rates for pension scheme members.

The GMPF actuary has updated the methodology for the Consumer Price Index (CPI) assumption to make allowance for the expected inflation observed over the period from October 2022 to March 2023. This has increased the CPI rate from 2.275% to 3.0% as compared with previous year and increased the Defined Benefit Obligation (Liability) by £6.9m.

Note 30 (ii) indicates the impact of a change in assumptions.

At the 31st July 2023 the University's pension asset of £47.7m in respect of the Greater Manchester Pension Fund has not been recognised. The asset is not currently considered recoverable as the cash contributions for 2023-24 are forecast to be higher than the current service cost. This is a change from the previous year when a pension asset was recognised as the cash contributions for 2022/23 were lower than the current service cost which would result in the asset gradually unwinding.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022 REANALYSED		
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
1 / TUITION FEES AND EDUCATION CONTRACTS					
Full-time home and EU students		147,446	147,446	143,679	143,679
Full-time international students		48,052	48,052	40,027	40,027
Part-time students		8,444	8,444	8,538	8,538
Other teaching contracts		4,687	4,687	5,050	5,050
Short courses		2,684	1,126	2,143	799
Research Training Support Grant		1,035	1,035	980	980
		<u>212,348</u>	<u>210,790</u>	<u>200,417</u>	<u>199,073</u>

£3,921,000 of part time students in respect of degree apprenticeships with respect to the year ended 31 July 2022 has been reclassified as full time home and EU student income.

2 / FUNDING BODY GRANTS

Recurrent grant					
Office for Students		13,573	13,573	12,626	12,626
Research England		6,393	6,393	4,412	4,412
Specific grants					
Research England		551	551	540	540
Office for Students Special Initiatives and Hardship Funding		-	-	135	135
Higher Education Innovation Fund		1,566	1,566	1,661	1,661
Deferred capital grants released in year:					
Buildings		1,353	1,353	1,303	1,303
Equipment		388	388	529	529
		<u>23,824</u>	<u>23,824</u>	<u>21,206</u>	<u>21,206</u>

3 / RESEARCH GRANTS AND CONTRACTS

Research councils (UK)		1,357	1,357	1,539	1,539
Research charities (UK)		874	874	570	570
Government (UK and EU)		2,074	2,074	2,321	2,321
Industry and commerce (UK)		299	299	433	433
Knowledge Transfer Partnerships		517	517	389	389
Other		1,069	1,069	1,058	1,058
Deferred Capital Grants Released		473	473	465	465
		<u>6,663</u>	<u>6,663</u>	<u>6,775</u>	<u>6,775</u>

	Notes	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
4 / TOTAL GRANT AND FEE INCOME					
Grant income from the Office for Students		15,248	15,248	14,593	14,593
Grant income from other bodies		14,446	14,446	13,016	13,016
Fee income for taught awards		208,630	208,629	197,294	197,294
Fee income for research awards		1,828	1,828	1,352	1,352
Fee income for non-qualifying courses		2,683	1,126	2,143	799
		<u>242,835</u>	<u>241,277</u>	<u>228,398</u>	<u>227,054</u>

Note 4 details the source of grant and fee income included in Note 1 to 3.

5 / OTHER INCOME

Residences, catering and conferences		10,820	10,779	10,505	10,440
Other Services Rendered		3,973	3,973	3,868	3,868
Other income		5,113	5,089	3,205	3,173
Deferred capital grants released in year:					
Buildings		159	159	130	130
Equipment		85	85	38	38
		<u>20,150</u>	<u>20,085</u>	<u>17,746</u>	<u>17,649</u>

6 / INVESTMENT INCOME

Investment income on endowments	23	2	2	2	2
Other investment income		4,372	4,371	746	745
Net return on pension scheme		163	163	-	-
		<u>4,537</u>	<u>4,536</u>	<u>748</u>	<u>747</u>

7 / DONATIONS AND ENDOWMENTS

Donations with restrictions	24	734	734	888	888
Unrestricted donations / donations with performance criteria		125	125	101	101
		<u>859</u>	<u>859</u>	<u>989</u>	<u>989</u>

8 / STAFF COSTS

Salaries		99,254	96,009	88,221	85,424
Social security costs		10,786	10,546	9,486	9,272
Movement on USS past service cost on pensions		(1,040)	(1,040)	(1,395)	(1,395)
Enhanced Pension on Termination charge	21	336	336	197	197
Other pension costs	30	27,698	27,653	30,807	30,764
Early Retirement, Voluntary Severance, Redundancy and Mutual Consent Initiative ***		(609)	(609)	(1,460)	(1,460)
		<u>136,425</u>	<u>132,895</u>	<u>125,856</u>	<u>122,802</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

8 / STAFF COSTS (CONTINUED)

*** The category Early Retirement, Voluntary Severance, Redundancy and Mutual Consent Initiative includes:

- / £219,000 payable or paid to 12 University of Salford staff including staff who were paid under mutual consent initiative (2022; £162,000 to 20 including staff who were paid under the mutual consent initiative);
- / £86,000 in respect of the additional future pension cost of taking early retirement for 1 University staff who were members of the Local Government Pension Scheme (2022; £62,000 to 2 staff);
- / (£914,000) reduction in the provision for pension enhancements in respect of former staff who were members of the Teacher's Pension Scheme (2022; (£1,661,000) reduction). The reduction in provision is due to a fall in discount rate used to calculate the provision and further details can be found in Note 21(B) Provision for liabilities.

VICE-CHANCELLOR'S REMUNERATION

The University has a total group income of £268.4m and employs over 2,500 people. The Council has outlined "Our strategy" and "Operational Performance" earlier in the Integrated Report. In setting the base salary for the Vice-Chancellor, the Remuneration Committee has taken into consideration the depth, breadth and complexity of the role. The Remuneration Committee has undertaken benchmarking across the Higher Education sector, including comparative information relating to the relevant contribution and income groups. The Remuneration Committee also takes into consideration the challenges faced for attraction and retention in a competitive market.

Other elements of the total remuneration package for the Vice-Chancellor are reviewed by the Remuneration Committee alongside the annual individual performance review.

The 2022 nationally negotiated pay settlement of 3% was awarded to the Vice-Chancellor from 1st August 2022 and the early payment of the 2023 nationally negotiated pay settlement of 2% was also awarded to the Vice-Chancellor from 1st February 2023, both agreed by the Remuneration Committee.

The Vice-Chancellor received an additional salary increase of £5,550 per annum on September 1st 2022.

The Remuneration Committee agreed with the Vice-Chancellor a series of performance objectives for the 2021-22 and 2022-23 academic years, covering the organisational, professional and personal areas of focus necessary to achieve the University's strategic objectives. The Remuneration Committee has delegated authority to make decisions, under the current senior pay framework, on annual non-consolidated pay bonuses between 0% and 5%. No additional performance payment was made in 2022-

Nil saving on the actual cost of previous year retirements (2022; (£23,000 saving)); and £Nil redundancy costs paid to members of staff who was employed by the subsidiary company Salford Professional Development Limited, (2022; Nil redundancy costs were paid.).



	2022-23	2021-22
	£'000	£'000
Salary of Vice-Chancellor (VC)	233	219
Performance related pay bonus	-	1
Benefits in kind	5	4
Total	238	224
Pension Contributions	-	-
Total Emoluments	238	224

The VC's Benefit in Kind is in respect of private medical care.

23. (In 2021-22 the Vice-Chancellor received a £1,000 non consolidated, performance related payment. The exceptional bonus payment was agreed in recognition of leadership during the Covid-pandemic by the Remuneration Committee.)

Further information in relation to the Total Remuneration package of the Vice-Chancellor and other senior postholders is available in the **Annual Remuneration Report**.

The Vice-Chancellor's basic salary is 6.6 [2021-22; 6.2] times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University and its subsidiaries to its staff.

The Vice-Chancellor's total remuneration is 6.0 [2021-22; 5.5] times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration by the University and its subsidiaries to its staff.

The University has adopted the OfS 2019-20 guidance in respect of calculating the median salary so has excluded agency staff and staff paid under the IR35 legislation from the respective calculations. The calculations also do not include some one-off staff payments where staff are paid for a specific piece of work which were not paid for on an hourly basis and staff on long term sick where they are no longer on full pay. The reasons for non inclusion of these groups in the median calculation are the University had not required the recording of the number of hours taken for individuals who are paid in accordance with the delivery of a piece of work and the University considers that inclusion of staff on long term sick who receive reduced pay would distort the calculation.

REMUNERATION OF HIGHER PAID STAFF (INCLUDING THE VICE-CHANCELLOR)

Remuneration of higher paid staff, excluding any bonus payments, pension contributions and all are shown before any salary sacrifice arrangements. The bandings do not include staff who joined or left part way through the year but would have received salary in these bands in a full year.

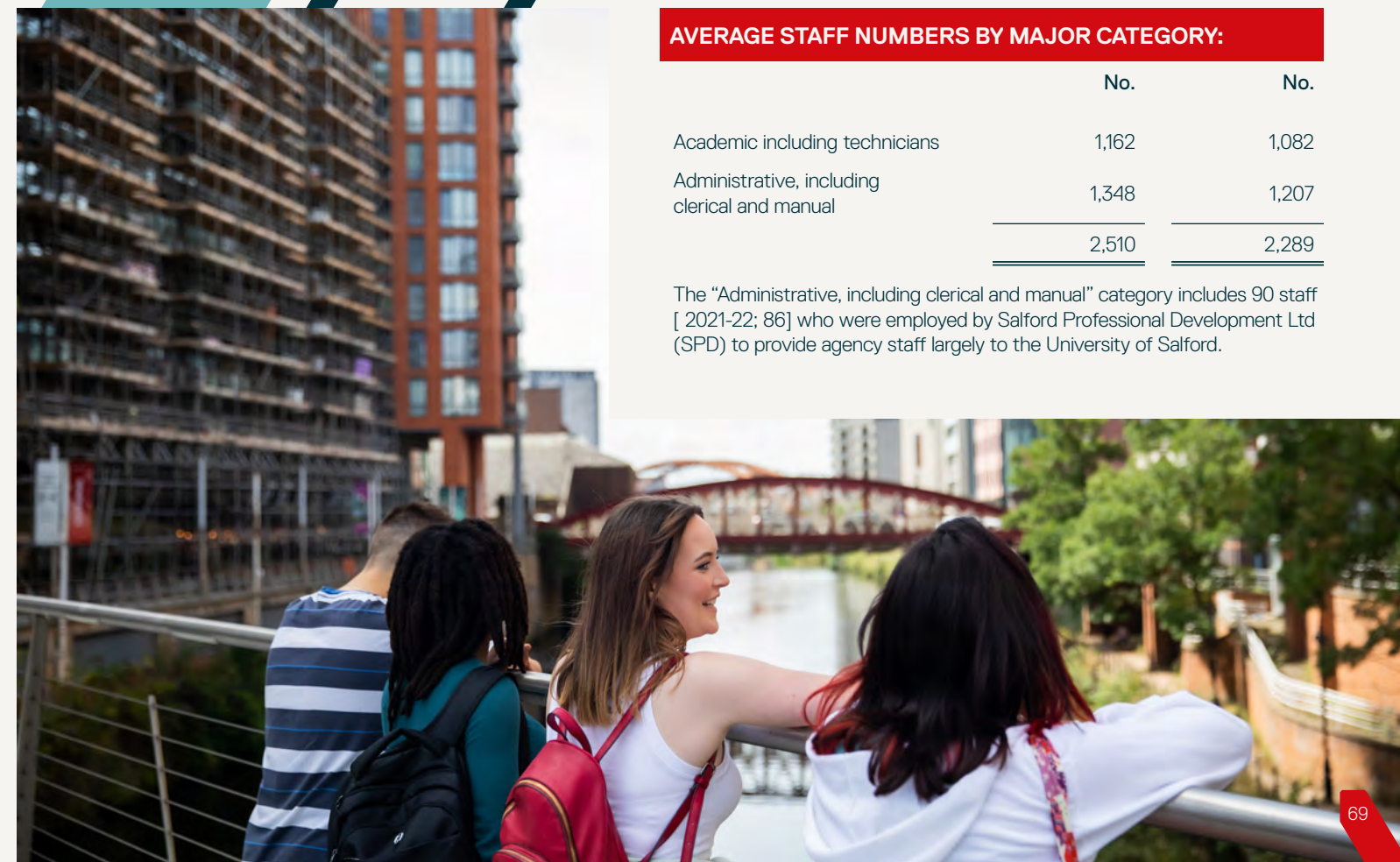
	2022-23	2021-22
	No.	No.
£100,000 to £104,999*	-	4
£105,000 to £109,999	3	1
£110,000 to £114,999	1	1
£115,000 to £119,999	1	5
£120,000 to £124,999	1	2
£125,000 to £129,999	3	-
£130,000 to £134,999	1	1
£135,000 to £139,999	2	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	1
£150,000 to £154,999	-	-
£155,000 to £159,999	1	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	-
£170,000 TO £174,999	-	1
£215,000 to £219,999	-	-
£220,000 to £224,999	-	1
£225,000 to £229,999	-	-
£230,000 to £234,999	1	-
	14	17

*The 2022-23 number includes 1 member of staff employed by university subsidiary company (2021-22 number includes 1 member of staff employed by a university subsidiary company).

AVERAGE STAFF NUMBERS BY MAJOR CATEGORY:

	No.	No.
Academic including technicians	1,162	1,082
Administrative, including clerical and manual	1,348	1,207
	2,510	2,289

The "Administrative, including clerical and manual" category includes 90 staff [2021-22; 86] who were employed by Salford Professional Development Ltd (SPD) to provide agency staff largely to the University of Salford.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

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 include compensation paid to key management personnel.

In 2021-22 and 2022-23 the team consisted of Vice-Chancellor, Chief Operating Officer, Pro Vice-Chancellor (PVC) Student Experience, PVC for Academic Development, PVC Research and Innovation, Executive Director of Finance [and also acting as Deputy Chief Executive], Executive Director of Human Resources and Associate Chief Operating Officer.

YEAR ENDED 31 JULY 2023	YEAR ENDED 31 JULY 2022
£	£
1,533,969	1,443,097

COUNCIL MEMBERS

In 2022 -23 the Chair of Council was paid £ Nil (2021-22; £Nil) as the Chair of Council has waived his remuneration in respect of this role. No other council members have received any remuneration/waived payments from the group during the year (2021-22- none). The total expenses paid to or on behalf of council members was £6,797 in respect of 9 members (2021-22 – £2,626 in respect of 4 members). This represents travel, subsistence and course costs incurred in their role as Council member.



	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
Notes	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000

8a / CHANGE IN USS DEFICIT RECOVERY PLAN

Change in USS deficit recovery plan	-	-	38,501	38,501
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9 / INTEREST AND OTHER FINANCE COSTS

Loan interest	1,369	1,369	2,682	2,682
Other	30	41	4	5
Finance lease interest	382	382	369	369
Net charge on pension scheme	2,079	2,079	1,942	1,942
	<u>3,860</u>	<u>3,871</u>	<u>4,997</u>	<u>4,998</u>

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022 REANALYSED	
Notes	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000

10 / OTHER OPERATING EXPENSES

Scholarships, bursaries and other student expenses	10,206	10,206	6,530	6,530
Catering	2,555	2,542	2,818	2,807
Student Union Grant	1,379	1,379	1,332	1,332
IT Supplies	7,786	7,769	7,369	7,198
Books and periodicals including online access	3,298	3,298	3,253	3,253
Printing, stationery and office expenses	927	917	957	954
Licences / Insurance / Subscriptions	5,778	5,755	4,878	4,849
Telephones	282	279	220	216
Equipment and furniture including hire and maintenance	5,217	5,217	4,925	4,925
Financial charges	1,118	1,114	3,212	3,209
Consumables	1,650	1,650	938	937
Vehicles and transport costs	543	532	460	455
Professional and other fees	15,896	15,235	13,793	13,260
Agency and contract staff	3,818	3,818	1,814	1,814
Staff travel and subsistence costs	2,843	2,835	1,229	1,225
Marketing	2,001	1,852	1,931	1,816
Staff recruitment and welfare	1,170	1,129	694	661
Premises, maintenance, and repairs	8,313	8,313	8,011	8,009
Rates, rents, and utilities	9,378	9,374	8,383	8,379
Security	419	419	380	380
Service concession expenditure – Note 13	8,106	8,106	7,727	7,727
Trading with subsidiary companies	-	2,762	-	2,521
Total	<u>92,683</u>	<u>94,501</u>	<u>80,854</u>	<u>82,457</u>

£1,966,000 of costs in respect of year to July 2022 have been reclassified from IT supplies to Licences/Insurance/Subscriptions. The University trading with subsidiaries includes £2,801,000 (2021/22 - £2,357,000) of agency costs provided by SPD which are treated as pay in the consolidated costs.

10 / OTHER OPERATING EXPENSES (CONTINUED)

External auditors remuneration in respect of statutory audit services	138	120	116	97
External auditors remuneration in respect of non statutory audit services:				
Grant and other audit related services	5	5	21	21
Taxation compliance services	1	1	5	5
Taxation advisory services	-	-	-	-
Operating lease rentals:				
Land and buildings	3,772	3,772	3,521	3,521
Other	386	386	455	455

The external auditor's costs, in line with guidance, have been disclosed net of VAT though the University is largely unable to recover the VAT incurred.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

10a / ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	138,802	137,172	121,467	120,195
Administration and central services	46,965	46,965	41,687	41,663
Premises	40,406	40,406	35,561	35,557
Residences, catering, and conferences (including service concession cost)	11,024	10,974	11,188	11,077
Research grants and contracts	6,665	6,665	6,787	6,787
Other expenses	4,625	4,604	47,655	47,616
	<u>248,487</u>	<u>246,786</u>	<u>264,345</u>	<u>262,895</u>

10b / ACCESS AND PARTICIPATION	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	Consolidated	Plan	Consolidated	Plan
	£'000	£'000	£'000	£'000
Access investment	3,158	1,592	1,889	1,553
Financial support	5,639	2,621	2,476	2,621
Disability support	823	589	710	593
Research and evaluation	99	100	123	100
	<u>9,719</u>	<u>4,902</u>	<u>5,198</u>	<u>4,867</u>

This note shows the Access and Participation investment as per the requirements of the OfS Monitoring return.

(i) The Disability support excludes costs already allocated to Access investment and Financial support.

(ii) £3,093,000 (2021-22 £2,104,000) of these costs are already included in the overall staff figures – see Note 8 (Staff costs).

Access and Participation is the investment undertaken in attracting and recruiting new students to the University (Access) for those students who are classified as Widening Participation (WP) such as BAME, Disabled, low income backgrounds, care leavers, mature students etc. Information is collected through this monitoring return for the purposes of:

- Understanding whether providers have met the provisions of the Access agreements in force in 2022-23.
- Transparency, in the interests of students.
- Providers in receipt of the student premium, disabled student premium funding or both are expected to submit a monitoring return so that the university can demonstrate that the funds have been correctly accounted for and have been used appropriately.

Using student analysis data, the proportion of Home/EU students have been determined that are WP classified, and allocated this percentage (60%) [2021-22: 49%] to specific student-facing teams that undertake access activities, to determine an appropriate level of investment.

All disability spend is allocated to specific project codes, which have been used to determine the total investment the University has undertaken for its disabled students. These investments have mainly been within Estates and Student Services.

The University of Salford's Access agreement and 2022-23 Access and Participation Plan can be found at salford.ac.uk/governance-and-management/access-and-participation.

The increase in financial support reflects the fact that in 2022-23 the University provided student cost of living funds. The level of disability spend has increased as a higher proportion of students identify as having a disability with the University increasing its staffing and resources to meet this need.

11 / TAXATION

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income				
Current Tax expense	-	-	-	-

12 / FIXED ASSETS

Consolidated and University	Freehold Land and Buildings	Leasehold Land and Buildings	Leased Assets	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2022	208,999	22,335	4,745	54,405	73,135	363,619
Additions	8,616	-	-	7,883	2,354	18,853
Transfers	69,404	-	-	2,965	(72,369)	-
Disposals	-	-	-	(11,661)	-	(11,661)
At 31 July 2023	287,019	22,335	4,745	53,592	3,120	370,811
Consisting of valuation as at:						
Cost	287,019	22,335	4,745	53,592	3,120	370,811
Depreciation						
At 1 August 2022	82,150	9,611	736	47,692	-	140,189
Charge for the year	10,973	1,018	105	3,423	-	15,519
Disposals	-	-	-	(11,661)	-	(11,661)
At 31 July 2023	93,123	10,629	841	39,454	-	144,047
Net book value						
At 31 July 2023	193,896	11,706	3,904	14,138	3,120	226,764
At 31 July 2022	126,849	12,724	4,009	6,713	73,135	223,430

The land and buildings are valued at a mixture of deemed cost, following a revaluation at July 2014, and cost in respect of additions post 1 August 2014.

The freehold land and buildings includes several buildings; Centenary, Adelphi and Faraday House that are not currently in use. No depreciation has been charged in 2022-23 as the market value of these sites exceeds the book value.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

13 / SERVICE CONCESSION ARRANGEMENTS

The University has one On-Statement of Financial Position arrangement where service delivery has commenced. In November 2013 the University entered into an agreement with Salford Village Limited which (at that time) was comprised of Equitix, Graham Construction, Kier Project Investment and student accommodation operator Campus Living Villages Limited (CLV) to build and run a 1,367 student accommodation village on the Peel Park Campus with the accommodation opened to students from Autumn 2015. The finance for this £85m development was provided by Standard Life Investments (now Aberdeen Standard Investments [ASI]) and CLV will run the accommodation until Summer 2060 at which date the University has the option to purchase the accommodation and head lease for £1. The University has the option to terminate the agreement from Autumn 2020 subject to payment of compensation to Salford Village Limited.

The University is ultimately responsible for the payments of rents under the underlease between Salford Village Limited and ASI (part of abrdn group), as, in the event of default by Salford Village Limited, ASI may demand payment from the University.

Under the terms of the agreement the University entered into an annual nominations agreement with Salford Living Village Limited. Following a review of the transaction this is to be accounted for in accordance with a service concession arrangement.

In December 2021 the University nominated 1,367 rooms in respect of academic year 2022-23 at a cost of £8,106,000. In line with concession accounting a notional current asset (right to use asset) of £8,106,000 and a notional concession liability of £8,106,000 had been created at 31 July 2022. These assets and liabilities have been unwound in "Residencies, catering and conferences Income" and "Other operating expenses" respectively in the Statement of Comprehensive Income and Expenditure in 2021-22.

In December 2022 the University nominated 1,367 rooms in respect of academic year 2023-24 at a cost of £8,511,000. In line with concession accounting a notional current asset (right to use asset) of £8,511,000 and a notional concession liability of £8,511,000 has been created at 31 July 2023. These assets and liabilities will be unwound in "Residencies, catering and conferences Income" and "Other operating expenses" respectively in the Statement of Comprehensive Income and Expenditure in 2023-24.



In March 2023 the University entered into a deed of variation with ASI and Salford Village Ltd to allow it to have the option of a further residential arrangement of up to 850 beds. Consequently, in respect of academic years 2023-24, 2024-25, 2025-26, 2026-27 and 2027-28, if the number of available units that are either reserved or allocated to a student or other occupant is fewer than 96% of the available lets for the relevant academic year, the University is required to reserve up to 16% of available lets for these future academic years.

The University has nominated 100% of rooms for Peel Park Quarter in respect of 2023-24. No nominations have been made in respect of 2024-25 onwards, but for academic years 2018-19 onwards 100% of the rooms have been nominated and it is currently considered unlikely that future nominations are unlikely to fall below 96% so no additional provision has been made for a potential 16% of available lets in respect of 2024-25, 2025-26, 2026-27 and 2027-28.

The University is currently developing a business case for an accommodation development of up to 850 beds but the deed of variation with ASI and Salford Village Limited allows the University to build further accommodation in addition to the 850 beds subject to the achievement of the following conditions.

- ✓ There needs to be at least 96% occupancy of all available lets of the current 1,367 accommodation for each of the previous years; and
- ✓ Certain key ratios in relation to existing students to supply need to exceed 2.75 : 1.

If these conditions are not met and the University has served notice that it intends to enter into a new residential arrangement, then, at the time the University serves notice on ASI and Salford Village Limited that it intends to enter into such Residential Arrangements, the University undertakes to reserve at least 96% of the available units for so long as this residential arrangement persists or until the end of the academic year during which these tests prescribed are met (whichever is the earlier).

The University's current proposal for accommodation is in respect of accommodation of up to 850 beds so these conditions are not currently applicable.

14 / NON-CURRENT INVESTMENTS

	SUBSIDIARY COMPANIES	INVESTMENT IN SPIN OUTS	OTHER FIXED ASSETS INVESTMENTS	TOTAL
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2022	-	128	-	128
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July 2023	-	128	-	128
University				
At 1 August 2022	166	5	-	171
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July 2023	166	5	-	171

OTHER NON-CURRENT INVESTMENTS CONSIST OF:

	£'000	% Owned
Salsa Sounds Limited	-	37.36%
Optimum Imaging Limited	-	31.73%
Carbon Air Limited	103	9.04%
Incanthera Plc	20	0.92%
Salford Valve Company Limited	-	0.24%
University Loan to Health and Education Co-operative Limited	5	No Shareholding
	128	

15 / PENSION ASSET

CONSOLIDATED AND UNIVERSITY

MOVEMENT IN THE GMPF SCHEME

	£'000
Asset at 1 August 2022	5,156
Contributions paid by the University	4,133
Current Service cost	(5,096)
Past service cost	(86)
Other finance charge	163
Loss recognised in other comprehensive income post asset ceiling restriction	(4,270)
Asset at 31 July 2023	-

See Note 30 for further details on the movement of the pension liability to asset.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022		
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000

16 / STOCK

Building Engineering Stores and Bakery & Brewery		140	140	31	31
--	--	-----	-----	----	----

The Bakery and Brewery stock reflects the opening of the Bakery & Brewery facility in July 2023.

17 / TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

Research grants receivables		2,266	2,266	1,990	1,990
Other trade receivables		12,867	12,651	9,967	9,761
Derivative		103	103	-	-
Other receivables		90	90	81	81
Prepayments and accrued income		12,101	12,054	10,442	10,426
Service concession - Right to use an asset		8,511	8,511	8,106	8,106
Amounts due from subsidiary undertaking		-	-	-	-
		<u>35,938</u>	<u>35,675</u>	<u>30,586</u>	<u>30,364</u>

18 / CURRENT INVESTMENTS

Short term investment in shares and Corporate bonds		579	579	586	586
Certificates of deposit and corporate bonds		121,140	121,140	94,821	94,821
Short term deposits		5,533	5,533	5,384	5,384
		<u>127,252</u>	<u>127,252</u>	<u>100,791</u>	<u>100,791</u>

The short-term investment in shares and corporate bonds are investments in a number of ethical funds administered by our advisors KW Wealth. Short term deposits are held with banks and building societies operating in the London market and regulated by Prudential Regulatory Authority with three months or more maturity at the transaction date. Certificates of deposit and corporate bonds have a maturity up to 24 months at maturity date. The interest rates for £121,140,000 (2022: £94,821,000) of these deposits are fixed for the duration of the deposit at time of placement. For the remaining £5,533,000 (2022: £5,384,000) interest rates vary.

At 31 July 2023 the weighted average interest rate of these fixed rate deposits including certificates of deposit and corporate bonds was 4.82% (2022: 1.32%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 234 days (2022 200 days). The fair value of these deposits including certificates of deposit and corporate bonds was not materially different from the book value. The investments are placed in accordance with our [Treasury Management Policy](#).



	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022		
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000

19 / CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Secured loans		1,663	1,663	1,663	1,663
Service concession Obligations (note 13)		8,511	8,511	8,106	8,106
Trade payables		4,380	4,293	3,396	3,396
Student deposits in advance		15,872	15,872	12,669	12,628
Social security and other taxation payable		3,669	3,669	2,663	2,663
Other payroll creditors		2,531	2,531	2,188	2,188
Accruals and deferred income		40,105	39,081	43,223	42,379
Deferred capital grant		2,723	2,723	2,160	2,160
Student Union Deposit		332	332	387	387
Amounts due to subsidiary undertakings		-	1,289	-	1,357
		<u>79,786</u>	<u>79,964</u>	<u>76,455</u>	<u>76,927</u>

19 / CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR (CONTINUED)

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

Donations		62	62	281	281
Research grants received on account		468	468	427	427
		<u>530</u>	<u>530</u>	<u>708</u>	<u>708</u>

20 / CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

Deferred capital grant		26,422	26,422	25,468	25,468
Obligations under finance lease		5,387	5,387	5,312	5,312
Derivatives		-	-	3,397	3,397
Secured loans banks		20,131	20,131	21,794	21,794
		<u>51,940</u>	<u>51,940</u>	<u>55,971</u>	<u>55,971</u>

Analysis of secured and unsecured loans:

Due within one year or on demand (Note 19)		1,663	1,663	1,663	1,663
Due between one and two years		1,663	1,663	1,663	1,663
Due between two and five years		4,970	4,970	4,990	4,990
Due in five years or more		13,498	13,498	15,141	15,141
Due after more than one year		<u>20,131</u>	<u>20,131</u>	<u>21,794</u>	<u>21,794</u>
Total secured loans		<u>21,794</u>	<u>21,794</u>	<u>23,457</u>	<u>23,457</u>
Secured loans		21,794	21,794	23,457	23,457
		<u>21,794</u>	<u>21,794</u>	<u>23,457</u>	<u>23,457</u>

Subsequent to the year end the security has been removed

Included in loans are the following:

Lender	Amount	Term	Interest rate	Borrower
Lloyds	21,794	2036	6.02%	University
	<u>21,794</u>			

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

21 / PROVISIONS FOR LIABILITIES

Consolidated and University	(A)	(B)	(C)	Total Pensions Provisions	Other	Total Other
	Obligation to fund deficit on USS Pension	Pension enhancement on termination	Standardisation of Pension benefits of former University College Salford Staff Benefit Obligations			
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2022	62,812	10,185	181	73,178	1,806	1,806
Reversal of deficit	-	-	-	-	-	-
Interest on funds	2,079	336	-	2,415	-	-
Utilised in year	(1,039)	(672)	-	(1,711)	-	-
Additions in year	-	-	1	1	535	535
Unutilised amounts reversed in 22-23	-	(914)	(18)	(932)	-	-
At 31 July 2023	63,852	8,935	164	72,951	2,341	2,341

(A) USS DEFICIT

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have assessed future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in Note 30 (i).

Following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 30 (i). This new deficit plan required deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021, 0% from 1 October 2021 to 31 March 2022, payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% from 1 April 2024 to 30 April 2038.

The major assumptions for calculating the obligation are as follows:

Consolidated and University	
USS Discount rate	5.52% (21-22 3.31%)
Pensionable payroll growth - Salary inflation of USS employees	4% for 23-24, 6% for 24-25 before reverting to 4% (4% for 22-23, 4.5% for 23-24, 4% for 24-25 before reverting to 3%)
Staff changes of USS employees	10.27% for 23-24 before reverting to 0% (4.55% in 22-23, 4.3% in 23-24 before reverting to 0%)

Sensitivity Analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 2023	Approximate Impact
0.5% pa decrease in discount rate	£2.4m
0.5% pa increase in salary inflation over duration	£2.4m
0.5% pa increase in salary inflation year 1 only	£0.3m
0.5% increase in staff changes over duration	£2.3m
0.5% increase in staff changes year 1 only	£0.3m
1% increase in deficit contributions from April 2024	£9.7m
1 year increase in term	£3.9m

(B) PENSION ENHANCEMENT

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

Consolidated and University	
Inflation Rate	2.8% (21-22 2.9%)
Interest Rate	5.0% (21-22 3.3%)
Net interest Rate	2.2% (21-22 (0.4%))

The provision is for the enhanced pension benefits payable to retired staff who were members of the Teacher's pension scheme. The provision for the enhanced pension benefits payable to retired staff has been calculated using a net interest rate of 2.2% (2021-22 (0.4%)). The interest on funds has been calculated using an interest rate of 5.0% (2021-22 3.3%).

(C) The provision is for the standardisation of pension benefits for former University College Salford Staff so that current members of the TPS pension scheme receive the same ill health and death in service benefits as USS members.

22 / FINANCIAL INSTRUMENTS

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Examples of financial instruments include cash, bank, debtors and creditors, investment and hedging instruments and loans.

(a) The University's activities expose it to a variety of financial risks. The main risks to the University's treasury activities are:

(i) Credit and counterparty risk (security of investments);

Credit risk arises as the University debt is primarily with the Student Loan Company as well as a large number of students and organisations across diverse sectors and geographical areas. This is managed through collecting student debt in instalments and regular communications with customers over outstanding debt.

Counterparty risk is managed through a Treasury Management Policy which has prudence as its primary goal and Finance review the long term rating of the counterparty by independent credit rating agencies before investing any monies with a bank or building society.

(ii) Liquidity risk/ refinancing risk (inadequate cash resources/ impact of debt maturing in future years)

As part of its budget process a detailed three year cash flow projection is produced to ensure that the University has adequate resources to meet future commitments. Finance then monitors actual performance against budget on a monthly basis.

(iii) Market or interest rate risk

The University is exposed to risk in terms of exposure to interest rate movements on borrowings and investments. Movements in interest rates have a complex impact on the University. For instance, a rise in interest rates would mean that for borrowing at variable rates the interest expense charged to the surplus or deficit would rise.

In order to mitigate this risk, the University "hedges" its interest risk using swaps which provide stability against interest rate fluctuations. The total balance below comprises hedging of the Lloyds Bank plc loan facilities through an interest rate swap and the University hedge accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

22 / FINANCIAL INSTRUMENTS (CONTINUED)

Consolidated and University	2023	2022	
	£'000	£'000	
Fair Value liability of derivative at 1 August	(3,397)	(8,417)	For Investments at variable rates the interest income credited to the surplus or deficit will rise so the University invests cash for a variety of different periods up until 24 months.
Change in fair value	3,500	5,020	(iv) Inflation risk (exposure to inflation) The University is exposed to general economic inflation which then results in pay pressures. The University's ability to control this is limited but it manages this through prudent budget setting and inclusion of contingencies on capital projects.
Fair value Asset / (liability) of derivative at 31 July	103	(3,397)	(v) Foreign exchange risk The university manages this by keeping the holdings of foreign currency to a minimum with holdings just sufficient to meet known liabilities.

(b) The carrying value of the Group and University's financial assets and liabilities are summarised by category below:

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022		
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Measured at undiscounted amount receivable					
<i>Trade and other receivables</i>		27,324	27,061	22,480	22,258
Measured at amortised cost					
<i>Investments</i>		126,673	126,673	100,205	100,205
<i>Cash and cash equivalents</i>		22,136	21,782	33,505	33,327
<i>Stock</i>		140	140	31	31
<i>Right to use an asset under service concession arrangements</i>		8,511	8,511	8,106	8,106
Measured at fair value through income and expenditure					
<i>Investment in investment funds</i>		579	579	586	586
Measured at fair value through Statement of Comprehensive Income					
<i>Derivative financial assets</i>		103	103	-	-
Equity investments measured at cost less impairment					
<i>Non-current asset investments in unlisted equity instruments</i>		128	171	128	171
		<u>185,594</u>	<u>185,020</u>	<u>165,041</u>	<u>164,684</u>

	Notes	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
FINANCIAL LIABILITIES					
Measured at undiscounted amount payable					
<i>Trade and other creditors</i>		66,889	67,067	64,526	64,998
Measured at amortised cost					
<i>Loans and finance leases payable</i>		21,794	21,794	23,457	23,457
<i>Obligations under finance lease</i>		5,387	5,387	5,312	5,312
<i>Obligations under service concession agreements</i>		8,511	8,511	8,106	8,106
<i>Deferred capital grants</i>		29,145	29,145	27,628	27,628
Measured at fair value through Statement of Comprehensive Income					
<i>Derivative financial liabilities</i>		-	-	3,397	3,397
		<u>131,726</u>	<u>131,904</u>	<u>132,426</u>	<u>132,898</u>

The derivative balance shown above relates to a "receive floating, pay fixed" interest rate swap measured at fair value through income and expenditure. The floating rate swap is three month's LIBOR, with the fixed rate 6.02% (6.02% in 2021-22). The Group settles the swaps quarterly, with the difference between the fixed and floating interest rates settled on a net basis.

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

INTEREST INCOME AND (EXPENSE)					
Total interest income for financial assets at amortised cost		4,537	4,536	747	747
Total interest expense for financial liabilities at amortised cost		(1,781)	(1,792)	(3,056)	(3,056)
		<u>2,756</u>	<u>2,744</u>	<u>(2,309)</u>	<u>(2,309)</u>
On investments assets measured at fair value through income and expenditure		(8)	(8)	(24)	(24)
On hedging financial instruments through Statement of Comprehensive Income		3,500	3,500	5,020	5,020
		<u>3,492</u>	<u>3,492</u>	<u>4,996</u>	<u>4,996</u>



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

23 / ENDOWMENT RESERVES Restricted net assets relating to endowments are as follows:	RESTRICTED PERMANENT ENDOWMENTS		EXPENDABLE ENDOWMENTS		2023	2022
			Total	Total		
	£'000	£'000	£'000	£'000		
At 1 August 2022						
Capital	3	334	337		350	
Accumulated income	15	217	232		327	
	18	551	569		677	
New endowments	-	-	-		-	
Investment income	-	2	2		2	
Expenditure	-	(44)	(44)		(86)	
	-	(42)	(42)		(84)	
(Decrease) / Increase in market value of investments	-	(8)	(8)		(24)	
At 31 July 2023	18	501	519		569	
Represented by:						
Capital	3	334	337		337	
Accumulated income	15	167	182		232	
	18	501	519		569	
Analysis by type of purpose:						
Scholarships and bursaries	-	210	210		248	
Research support	-	3	3		3	
Prize funds	15	-	15		15	
General	3	288	291		303	
	18	501	519		569	
Analysis by asset						
Current asset investments			519		569	

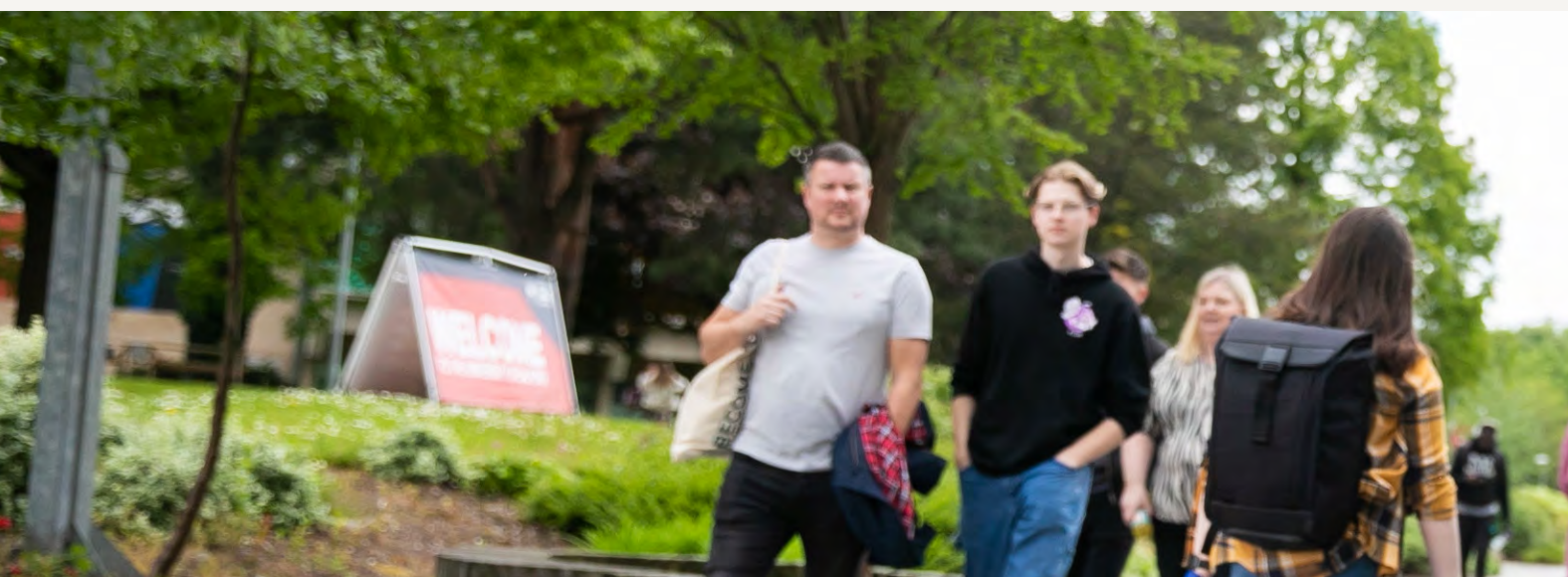
24 / RESTRICTED RESERVES

Reserves with restrictions are as follows:

	2023	2022
	Total	Total
	£'000	£'000
At 1 August 2022	1,254	628
New grants/ research grants	19	(7)
New donations	734	888
Income	-	-
Expenditure – Revenue	(337)	(255)
Expenditure - Capital	(176)	-
	240	626
At 31 July 2023	1,494	1,254
Analysis of other restricted funds / donations by type of purpose:		
Prizes	31	1
Scholarships and bursaries	341	187
Research support	18	14
General	1,104	1,052
	1,494	1,254

25 / CASH AND CASH EQUIVALENTS

	AT 31 JULY 2022	CASH FLOWS	AT 31 JULY 2023
	£'000	£'000	2023
Consolidated			
Cash and cash equivalents	33,505	(11,369)	22,136



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

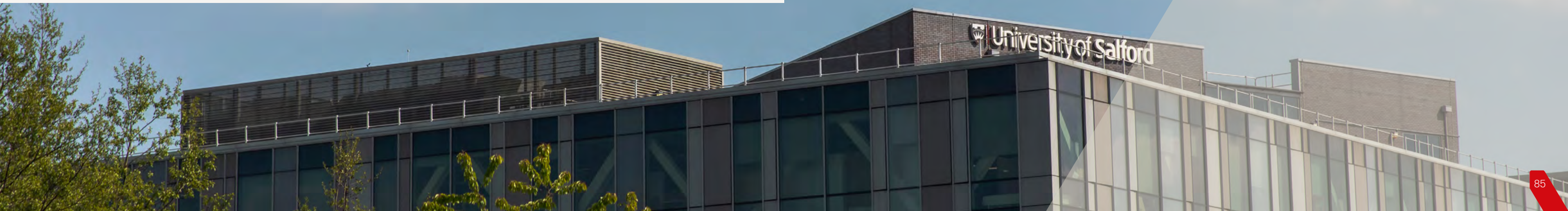
26 / CONSOLIDATED RECONCILIATION OF NET DEBT

	£'000		
Net Debt at 1 August 2022	(6,767)		
Movement in cash and cash equivalents	(11,369)		
Repayment of amounts borrowed	1,663		
Finance Lease movement	(75)		
Derivative payment	-		
Other non cash changes	3,095		
Net Debt at 31 July 2023	(13,453)		
Change in Net Debt	(6,686)		
Analysis of Net Debt		At 31 July 2023	At 31 July 2022
		£'000	£'000
Cash and Cash Equivalents		22,136	33,505
Borrowings: amounts falling due within one year			
Secured Loans	(1,663)	(1,663)	(1,663)
Obligations under finance leases	-	-	-
Service Concession arrangements	(8,511)	(8,511)	(8,106)
		(10,174)	(9,769)
Borrowings: amounts falling due after one year			
Obligations under finance leases	(5,387)	(5,387)	(5,312)
Derivatives	103	103	(3,397)
Secured Loans	(20,131)	(20,131)	(21,794)
		(25,415)	(30,503)
Net Debt	(13,453)	(13,453)	(6,767)

The University's treasury policy is to hold relatively low levels of cash but instead hold certificates of deposit and corporate bonds which, if required, can be easily converted to cash – See Note 17. The impact of this on overall funding is as follows:

26 / CONSOLIDATED RECONCILIATION OF NET DEBT (CONTINUED)

	£'000		
Net Funds at 1 August 2022	94,024		
Movement in cash and current investments	15,092		
Repayment of amounts borrowed	-		
Finance Lease movement	1,663		
Derivative payment	(75)		
Other non cash changes	3,095		
Net Funds at 31 July 2023	113,799		
Change in Net Funds	19,775		
Analysis of Net Funds		At 31 July 2023	At 31 July 2022
		£'000	£'000
Cash and Cash Equivalents		22,136	33,505
Current investments		127,252	100,791
		149,388	134,296
Borrowings: amounts falling due within one year			
Secured Loans	(1,663)	(1,663)	(1,663)
Obligations under finance leases	-	-	-
Service Concession arrangements	(8,511)	(8,511)	(8,106)
		(10,174)	(9,769)
Borrowings: amounts falling due after one year			
Obligations under finance leases	(5,387)	(5,387)	(5,312)
Derivatives	103	103	(3,397)
Secured Loans	(20,131)	(20,131)	(21,794)
		(25,415)	(30,503)
Net Funds	113,799	113,799	94,024



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

27 / CAPITAL AND OTHER COMMITMENTS

Provision has not been made for the following capital commitments at 31 July:

	31 JULY 2023		31 JULY 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for	1,123	1,123	8,300	8,300

28 / LEASE OBLIGATIONS

CONSOLIDATED

Total rentals payable under operating leases:

	LAND AND BUILDINGS	PLANT AND MACHINERY	31 JULY 2023	31 JULY 2022
			Total	Total
	£'000	£'000	£'000	£'000
Payable during the year	3,772	386	4,158	3,976
Future minimum lease payments due:				
Not later than 1 year	3,739	262	4,001	3,801
Later than 1 year and not later than 5 years	14,744	-	14,744	13,943
Later than 5 years	27,822	-	27,822	30,685
Total lease payments due	46,305	262	46,567	48,429

UNIVERSITY

Total rentals payable under operating leases:

	LAND AND BUILDINGS	PLANT AND MACHINERY	31 JULY 2023	31 JULY 2022
			Total	Total
	£'000	£'000	£'000	£'000
Payable during the year	3,772	386	4,158	3,976
Future minimum lease payments due:				
Not later than 1 year	3,739	262	4,001	3,801
Later than 1 year and not later than 5 years	14,744	-	14,744	13,943
Later than 5 years	27,822	-	27,822	30,685
Total lease payments due	46,305	262	46,567	48,429

29 / SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

COMPANY	PRINCIPAL ACTIVITY	STATUS
University of Salford Enterprises Limited	Business Development, Consultancy and Investment management	100% owned
Salford Professional Development Limited	Delivery of training and provision of agency services which match students and graduates to jobs in the University and wider community.	100% owned
Skyscope Limited	Dormant at 31 July 2023	100% owned
Salford University Services Limited [formerly called Salford University Purchasing Services Limited]	Dormant at 31 July 2023	100% owned
University of Salford (Health Services Training) Limited	Dormant at 31 July 2023	100% owned
Salford Digital Futures Limited	Dormant at 31 July 2023	100% owned

The University of Salford Enterprises Limited (Company Registration number 02309360) is exempt from audit under the requirements of S479A of the Companies Act by virtue of the University of Salford guaranteeing all liabilities to which University of Salford Enterprises is subject to at the 31st July 2023 until they are satisfied in full.

30 / PENSION SCHEMES

Four schemes are currently in operation:

- / Universities' Superannuation Scheme (USS)
- / Greater Manchester Pension Fund (GMPF)
- / University of Salford Pension Plan (USPP)
- / Teachers Pension Scheme (TPS)

The three main schemes are USS, GMPF and TPS, which are defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds and USPP which is a defined contribution scheme contracted out of S2P.

The table below analyses expenditure on "Other pension costs" detailed in Note 8 by pension fund:

	YEAR ENDED 31 JULY 2023		YEAR ENDED 31 JULY 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
USS	20,675	20,675	18,378	18,378
GMPF	5,096	5,096	11,086	11,086
TPS	229	229	226	226
USPP	1,653	1,653	1,074	1,074
Other	45	-	43	-
	27,698	27,653	30,807	30,764

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

30 / PENSION SCHEMES (CONTINUED)

(i) UNIVERSITIES' SUPERANNUATION SCHEME (USS)

The institution participates in the USS which is the main scheme covering most academic and academic related staff and senior professional service staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Income and Expenditure account.

The total cost charged to the Income and Expenditure account is for both Consolidated and University £20,675,000 (2022: £18,378,000) including PensionChoice.

Deficit recovery contributions due within one year for both Consolidated and University are £4,707,000 (2022: £3,905,000)

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 ("the valuation date") which was carried out using the projected unit method.

Since the institution cannot identify its share of Retirement Income Builder (defined benefit) assets and liabilities, the following disclosure reflect those for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles. (<https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>)

CPI Assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less 1.1 % p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.
Pensions increase (Subject to a floor of 0%)	CPI assumption plus 0.05%.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.7% p.a. Post-retirement: 1.00 % p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

2020 Valuation	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024 at which point the rate will increase to 6.3%. The 2023 deficit liability reflects this plan.

(ii) GREATER MANCHESTER PENSION FUND (GMPF)

The University participates in the GMPF, which is an externally funded defined benefit pension scheme, which is contracted out of the State Second Pension, where contributions payable are held in a trust separately from the University. This was available to all professional service staff who were on grade 6 and below. The last full actuarial valuation was performed as at 31 March 2022 and the results were rolled forward to the 31 July 2023 year end. Under the definitions set out in FRS 17, the GMPF meets the definition of a multi-employer defined benefit pension scheme. The actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2023 using the roll forward methodology.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interest of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisers.

During the accounting period, the University paid contributions to the pension scheme at a rate of 20.6%, falling to 19.7% from 1 April 2023.

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2023	At 31 July 2022
	%pa	%pa
Rate of increase in salaries	3.8%	3.5%
Rate of increase of pensions in payment for members (CPI)	3.0%	2.75%
Discount rate	5.05%	3.5%

The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Pensioner (male)	Non-pensioner (male) currently aged 45	Pensioner (female)	Non-pensioner (female) currently aged 45
At 31 July 2022	20.3	21.6	23.2	25.1
At 31 July 2023	19.8	20.8	23.2	24.7

✓ **Future Pensioners** (45 years from the last triennial valuation)

✓ **Current Pensioners** (65 years from last triennial valuation)

The above ages represent the latest Fund valuation at the Statement of Financial position date.

The assumptions have been determined on the basis that the duration of the University's funded obligations is 19 years. The most significant non-financial assumption is the assumed level of longevity.

The recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bond yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore both gross defined benefit obligations (liabilities) and assets have fallen.

Scheme assets and expected rate of return for GMPF

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	At 31 July 2023 *	At 31 July 2022	Fair value as at 31 July 2021
	£'000	£'000	£'000
Equities	156,288	154,333	147,495
Government bonds	31,258	34,044	31,606
Property	17,861	20,426	14,750
Cash	17,861	18,157	16,857
Total	223,268	226,960	210,708

* The assets at July 2023 are pre the surplus restriction.

The tables overleaf include, where applicable, disclosures for GMPF and ex-gratia pension combined to enable clear presentation. The ex-gratia pensions account for £2,384,000 (2022: £2,740,000) of the total liabilities of £175,526,000 (2022: £221,804,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

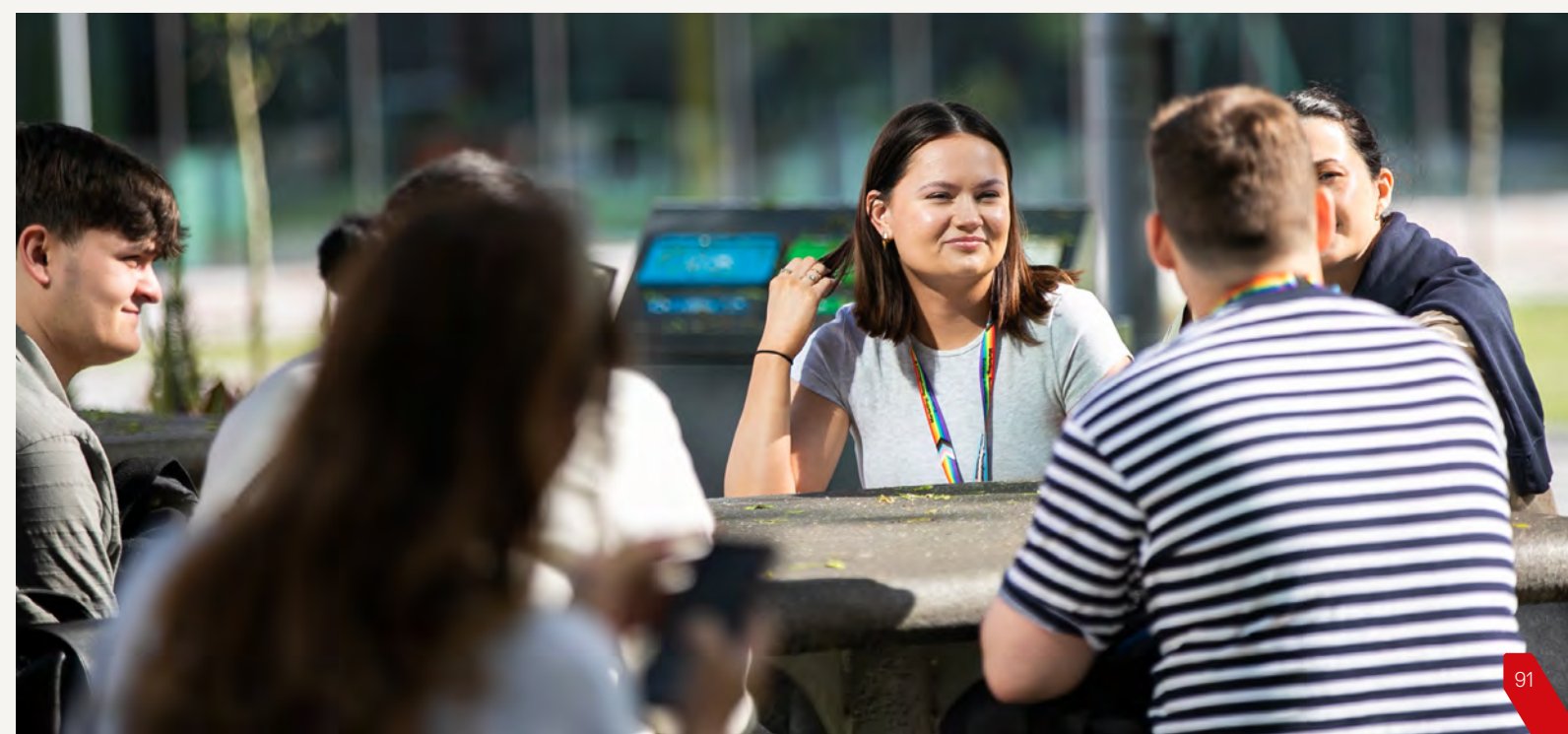
30 / PENSION SCHEMES (CONTINUED)	YEAR ENDED 31 JULY 2023	YEAR ENDED 31 JULY 2022
	£'000	£'000
Analysis of the amount shown in the Statement of Financial Position for GMPF		
Scheme assets	223,268	226,960
Scheme liabilities	(175,526)	(221,804)
Surplus pre restriction	47,742	-
Effect of surplus restriction (Assets ceiling)	(47,742)	-
Surplus / (Deficit) in the scheme – net pension asset recorded within pension assets (Note 15)	-	5,156
Current service cost	5,096	11,086
Past service costs	86	62
Total operating charge:	5,182	11,148
Analysis of the amount charged to interest (payable) / credited to other finance income for GMPF and ex-gratia pensions		
Interest cost	(7,757)	(5,085)
Expected return on assets	7,920	3,365
Net return / (charge) to other finance income	163	(1,720)
Analysis of other comprehensive (expenditure) / income for GMPF and ex-gratia pensions:		
Return on assets excluding amounts in net interest	(5,300)	13,423
Other experience	(9,759)	(12,191)
Changes in financial assumptions	52,347	115,438
Changes in demographic assumptions	6,184	1,291
Surplus restrictions	(47,742)	-
Total other comprehensive (expenditure) / income before deduction for tax	(4,270)	117,961

HISTORY OF EXPERIENCE GAINS AND LOSSES – GMPF	31 JULY 2023	31 JULY 2022	31 JULY 2021	31 JULY 2020	31 JULY 2019
Difference between actual and expected return on scheme assets:					
Amount (£m)	(5,300)	13,423	32,539	(14,710)	5,209
% of assets at end of year	(3.02)	5.91	15.4	(8.4)	2.8
Experience (losses)/ gains on scheme liabilities:					
Amount (£m)	(9,759)	(12,191)	3,794	11,057	(101)
% of liabilities at end of year	(5.56)	(5.50)	1.20	4.5	0.0

	AT 31 JULY 2023	AT 31 JULY 2022
	£'000	£'000
Cumulative actuarial gain / (loss) recognised as other comprehensive income for GMPF		
Cumulative actuarial gains / (losses) recognised at the start of the year	80,757	(37,204)
Cumulative actuarial gains recognised at the end of the year	76,487	80,757
Analysis of movement in surplus / (deficit) for GMPF		
Surplus / (Deficit) at beginning of year	5,156	(104,154)
Contributions or benefits paid by the University	4,133	4,217
Current service cost	(5,096)	(11,086)
Past service cost	(86)	(62)
Other finance return / (charge)	163	(1,720)
Gain recognised in other comprehensive income post asset ceiling restriction	(4,270)	117,961
Surplus at end of year	0	5,156

	YEAR TO 31 JULY 2023	YEAR TO 31 JULY 2022
	£'000	£'000
Analysis of movement in the present value of GMPF		
Present value of GMPF at the start of the year	(221,804)	(314,862)
Current service cost	(5,096)	(11,086)
Past service cost	(86)	(62)
Interest cost on defined benefit obligation	(7,757)	(5,085)
Actual member contributions (including notional contributions)	(1,160)	(1,164)
Actuarial gain	54,010	104,538
Actual benefit payments	6,367	5,917
Present value of GMPF liabilities at the end of the year	(175,526)	(221,804)

During 2022-23 the difference between current service costs and employer contributions in respect of funded contributions was £1,196,000 (2021-22; £7,110,000).



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

30 / PENSION SCHEMES (CONTINUED)	YEAR TO 31 JULY 2023	YEAR TO 31 JULY 2022
	£'000	£'000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	226,960	210,708
Expected return on assets	7,920	3,365
Actuarial gain on assets	(10,538)	13,423
Actual contributions paid by University in respect of funded benefits	3,900	3,976
Actual contributions paid by University in respect of unfunded benefits	233	241
Actual member contributions (including notional contributions)	1,160	1,164
Actual benefit payments	(6,367)	(5,917)
Fair value of scheme assets at the end of the year	223,268	226,960

GMPF's assets do not include any of the University's own financial instruments, or any property occupied by the University.

	YEAR TO 31 JULY 2023	YEAR TO 31 JULY 2022
	£'000	£'000
Actual return on scheme assets		
Expected return on scheme assets	7,920	3,365
Asset (loss)/ gain	(10,538)	13,423
	(2,618)	16,788

The following table highlights the sensitivities regarding the assumptions used to measure the scheme liabilities.

CHANGE IN ASSUMPTIONS AT 31 JULY 2023	APPROXIMATE % INCREASE TO DEFINED BENEFIT OBLIGATION	APPROXIMATE MONETARY AMOUNT (£'000)
0.1% decrease in Real Discount Rate	2%	3,397
1 year increase in member life expectancy	4%	7,021
0.1% increase in the salary increase Rate	0%	357
0.1% increase in Pension increase Rate (CPI)	2%	3,098

Estimated contributions for GMPF in the Financial Year 2023-24 are £3,523,000 (2022-23 £3,992,000).

Since the 1 August 2019 new staff joining the University will no longer be eligible to join GMPF scheme but will be able to join the University of Salford Pension Plan instead.

(iii) UNIVERSITY OF SALFORD PENSION PLAN (USPP)

The University of Salford Pension Plan is a defined contribution scheme that is administered by Aviva and was launched on the 1 April 2019. From 1 August 2019 all staff who were on grade 6 and below are automatically enrolled into USPP. The University of Salford pays fixed amounts to a separate legal

entity Aviva and has no legal or constructive obligation to pay further amounts. The amounts charged to the Statement of Comprehensive Income & Expenditure represent the contributions payable to Aviva.

The University contribution rate is 9% with the University also matching an individual's contributions up to 4%.



(iv) TEACHERS' PENSION SCHEME (TPS)

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 full-time 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' pension 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

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2020. Following the results of the valuation TPS employers contributions will increase from 23.68% to 28.68% from 1 April 2024. (this includes the administration levy of 0.08%).

A copy of the latest valuation report can be found on the [Teachers' Pension Scheme website](#).

31 / CONTINGENT LIABILITIES

In March 2023 the University entered into a nomination agreement with Campus Living Villages Limited (CLV) where the University guarantees 100% occupancy (744 beds) at the John Lester and Eddie Colman accommodation for the period from September 2023 to either June 2024 or August 2024, depending on the room type, at a cost of £4m. A smaller nomination agreement has been made with another provider nominating 50 rooms at a cost of £0.5m. The providers will continue to enter into tenancy agreement directly with the student and collect the monies from the student with the University only liable if the accommodation is not 100% occupied or the student defaults on the payment.

No provision has been made at the year end as the risk of a material liability arising is considered unlikely.

32 / EVENTS AFTER THE REPORTING PERIOD

The USS is in the process of completing the March 2023 USS valuation. Preliminary figures from the USS indicate that the pension fund is 111% funded and has a funding surplus of £7.4bn. It is anticipated that the combined member and employer contribution rate required to fund the current benefits provided by USS would reduce from 31.4% currently required from members and employers (9.8% and 21.6% respectively) to 16.2%. In the light of the improved funding position and outlook, the Joint Negotiating Committee has approved consultation on a package of changes to improve benefits for members. The current deficit contributions will no longer be required which will result in a reduction in the deficit provision reported in note 21 of £63.8m. The impact of these adjustments will be reflected in the University's financial statements for the year ended 31 July 2024, subject to any changes in financial and operational assumptions.

33 / HEDGE RESERVE MOVEMENTS

Consolidated and University	£'000
At 1 August 2022	3,397
Gain in fair value of hedging financial instruments	(3,500)
At 31 July 2023	(103)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2023 (CONTINUED)

34 / RELATED PARTY TRANSACTIONS

The University council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of the Council or Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the University's Financial Regulations and usual Procurement procedures.

The University undertook transactions with the following private organisations, public sector bodies, charities and not for profit organisations to which Council members, members of the Vice-Chancellor's Executive Team and Deans of School had connections. Only transactions or balances over £50k are listed below.

The University has taken advantage of the exemption within FRS102 Section 33 "Related Party Disclosures" and not disclosed transactions with wholly owned group entities.

	Income recognised within the financial statements	Expenditure recognised within the financial statements	Balance due to the University recognised within the financial statements	Balance due from the University recognised within the financial statements
Advance HE	-	135,673	-	770
AECOM Limited	34,863	240,000	-	-
British University of Bahrain	484,072	-	-	166
Greater Manchester Combined Authority	2,631,351	3,500	1,023,872	-
Manchester Chamber of Commerce	29,219	13,685	3,496	-
Manchester University NHS Foundation Trust	72,689	-	-	-
Northern Consortium	-	140,238	-	-
PwC	3,150	188,809	-	-
Salford City Council	168,720	362,889	123	-
Salford Royal NHS Foundation Trust	2,345	51,412	45,368	-
The Landing	-	174,920	-	-
University of Central Lancashire	1,319	1,229,388	-	-
University of Manchester	153,067	49,780	7,552	-

ADVANCE HE

Advance HE is a member-led, sector-owned charity that works with institutions and higher education across the world to improve higher education for staff, students and society. One member of the VCET team is on the board of directors.

AECOM LIMITED

AECOM Limited is a subsidiary of US company providing infrastructure design consultancy. The company provides building design services to the University. A council member is a director of a division of AECOM North.

BRITISH UNIVERSITY OF BAHRAIN

The British University of Bahrain is a private university located in the Kingdom of Bahrain. Established in 2018 in partnership with the University of Salford, it awards undergraduate British degrees. A member of council is on the Governors board.

GREATER MANCHESTER COMBINED AUTHORITY

The Greater Manchester Combined Authority (GMCA) is made up of the ten Greater Manchester councils and Mayor, who work with other local services, businesses, communities and other partners to improve the city-region in areas such as transport, regeneration, and attracting investment. The University provides education and training courses and collaborates on research projects. A council member is a paid consultant to GMCA.

MANCHESTER CHAMBER OF COMMERCE

Manchester Chamber of Commerce provides support to businesses in the ten local authority areas of Greater Manchester. A council member is a director.

MANCHESTER UNIVERSITY NHS FOUNDATION TRUST

Manchester University NHS Foundation Trust was formed on 1st October 2017 following the merger of Central Manchester University Hospitals NHS Foundation Trust (CMFT) and University Hospital of South Manchester NHS Foundation Trust (UHSM). The University provides training course and collaborates in research projects. Two council members are non-executive directors of the Trust.

NORTHERN CONSORTIUM

The Northern Consortium of UK universities (NCUK) is a group of 16 leading universities including University of Salford, dedicated to giving international students guaranteed access to universities and helping students succeed when they get there. One member of VCET is the University's Institutional Trustee.

PwC

Pricewaterhouse Coopers is an international professional services brand of firms, operating as partnerships under the PwC brand. It is the second-largest professional services network in the world and is considered one of the Big Four accounting firms, along with Deloitte, EY and KPMG. PwC provide tax and internal audit services.

SALFORD CITY COUNCIL

Salford City Council provide services to people who live, work and visit Salford. Services will include schools, family services, highways, housing, recreation and sport, environmental health and building and development control. The University provides social work training and pays rates. Two council members are Councillors of SCC.

SALFORD ROYAL NHS FOUNDATION TRUST

Salford Royal NHS Foundation Trust is based in Salford. It is an integrated provider of hospital, community and primary care services, including the University Teaching Hospital. The team of 6,000 staff provide local services to the City of Salford and specialist services to Greater Manchester and beyond. The Trust and the University collaborate in research projects. The University pays the Trust for seconded staff. One council member has declared themselves to be on the board of the Trust.

THE LANDING

The Landing at MediaCityUK is workspace, community, business support, user testing labs, maker lab and events. The Landing is the technology enterprise incubator for high-growth companies at the heart of MediaCityUK. One member of VCET is a director of the Landing.

UNIVERSITY OF CENTRAL LANCASHIRE

The University of Central Lancashire is a modern university based in Preston with 32,000 students. One council member has declared they are a visiting professor at UCLAN.

UNIVERSITY OF MANCHESTER

The current University of Manchester was formed in 2004 following the merger of the University of Manchester Institute of Science and Technology (UMIST) and the Victoria University of Manchester. The Russell Group university has 40,000 students mainly based on the Manchester city centre campuses. One member of council has declared he is an Honorary Special Advisor.



Other related parties have been identified however there have been no transactions with these parties in the year. In addition to the above The Salford University Students' Union is an independent organisation largely funded by the University.

The financial transactions between the two organisations can be summarised as: -

	2022-23	2021-22
	£'000	£'000
Annual Grant Paid to Students' Union from University	1,234	1,282
Grant to Students' Union for student experience enhancement projects and Covid support	144	50
Payments made to the Students' Union from the University for services provided	60	93
Payments made to the University from Students' Union for services provided	(63)	(59)

At 31 July 2023 Students' Union had £332,000 (2022: £387,000) invested with the University of Salford as detailed in Note 18. At 31 July 2023, the University had a creditor with the Students' Union of £6,037 (2022: £4,684) and a debtor with the Students' Union of £5,334 (2022: £270).



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