

MANCHESTER  
1824

The University of Manchester

# FINANCIAL STATEMENTS

**For the year ended 31 July 2024**

*Making a difference*  
**SINCE 1824**

**200**  
YEARS

# OFFICERS AND ADVISERS AND MEMBERSHIP OF THE BOARD OF GOVERNORS, 2023-2024

## OFFICERS AND ADVISERS

### Officers

#### Chancellor

Nazir Afzal, OBE

#### Pro-Chancellor

Jim Hancock, BA

#### President and Vice-Chancellor

Professor Dame Nancy J Rothwell, DBE, DL, BSc, PhD, DSc, FRS, FMedSci, FRSB, FRCP(Hon) (until 31 July 2024)

Professor Duncan Ivison, FAHA FRSN, BA (Hons), MSc, PhD (from 1 August 2024)

#### Deputy President and Deputy Vice-Chancellor

Professor Luke Georghiou, BSc, PhD, MAE, FRSA

#### Chair of the Board of Governors and Pro-Chancellor

Philippa Hird, MA, CCIPD, FRSA

#### Deputy Chair of the Board of Governors

Ann Barnes, BA (Hons), Diploma IHM

#### Registrar, Secretary and Chief Operating Officer

Patrick Hackett, B(Arch)

#### Chief Financial Officer

Carol Prokopyszyn, LLB, FCA

#### Director of People and Organisational Development

Adèle MacKinlay, BA (Hons), MSc, FCIPD (until 29 February 2024)

Andrew Mullen, Interim Executive Director of People and Organisational Development BSocSc MCIPD (from 1 March 2024 until 31 August 2024)

Eleanor Morrissey, MA, FCIPD (from 1 September 2024)

## Vice-Presidents (Policy)

### Teaching, Learning and Students

Professor April McMahon, MA, PhD, FBA, FRSE, FLSW, PFHEA

### Research

Professor Colette Fagan, BA, MSc, PhD, FAcSS

### Social Responsibility

Professor Nalin Thakkar, BDS, MSc, PhD, FRCPath

### Regional Innovation and Civic Engagement

Professor Richard Jones, MA, PhD, FInstP, FLSW, FRS

## Vice-Presidents and Deans of Faculties

### Science and Engineering

Professor Martin Schröder, BSc, CChem, PhD, DIC, FRSE, FRSC, MAE

### Humanities

Professor Fiona Devine, CBE, FAcSS, FRSA

### Biology, Medicine and Health

Professor Graham M Lord, BA, MA, MB, BChir, PhD, FRSB, FRCP, FMedSci, NIHR, Senior Investigator (until 31 August 2024)

Professor Allan Pacey, MBE, PhD, FRCOG, Interim Dean of the Faculty of Biology, Medicine and Health (from 1 September 2024)

## Chairs of Committees of the Board of Governors

### Chair of Audit and Risk Committee

Deirdre Evans, BA (Hons), ACMA

### Chair of Finance Committee

Caroline Johnstone, BA, CA (until 31 August 2024)

David Buckley, BSc (Hons), MSc (from 1 September 2024)

## Chair of Remuneration Committee

Gary Buxton, MBE, BA (Hons), GMBPsS, PG Cert, PCC, FSRA (until 31 August 2024)

Ann Barnes, BA (Hons), Diploma IHM (acting chair from 1 September 2024)

## Chair of Nominations and Governance Committee

Philippa Hird, MA, CCIPD, FRSA

## Chair of People Committee

Ann Barnes, BA (Hons), Diploma IHM

## MEMBERSHIP OF THE BOARD OF GOVERNORS, 2023-2024

(to 31 August in the year indicated)

### Category 1, ex officio members

Professor Dame Nancy J Rothwell, DBE, DL, BSc, PhD, DSc, FRS, FMedSci, FRSB, FRCP (Hon) President and Vice-Chancellor (until 31 July 2024)

Hannah Mortimer, BA (Hons) (until 31 July 2024)

Professor Duncan Ivison (from 1 August 2024)

Alexandra Baynes (from 1 August 2024)

### Category 2, lay members

Philippa Hird, MA, CCIPD, FRSA (2025)

Ann Barnes, BA (Hons), Diploma IHM, Deputy Chair (2026)

David Buckley, BSc (Hons), MSc (2025)

Gary Buxton, MBE, BA (Hons), GMBPsS, PG Cert, PCC, FSRA, MBE (2024)

Anna Dawe LLB (Hons), LLM, PGCE (2025)

Deidre Evans, BA (Hons), ACMA (2025)

Nick Hillman, MA, PGCE (2025)

Guy Grainger, BSc (Hons) (2026)

Caroline Johnstone, BA, CA (2024)

Jatin Patel, BA (Hons), MEng & MA (Cantab) (2024)

# CONTENTS

Robin Phillips, BA (Hons) (2025)

Dr Tony Raven, BSc (Hons), MSc, DPhil,  
MIOd, FInstP (2026)

## Associate member

Natasha Traynor, BA, MBA (2024)

## Category 3, members of the Senate (6)

Professor Danielle George, MBE, BSc,  
MSc, PhD, CEng, FIET, FRSA, FCGI,  
FBCS

Dr Reinmar Hager, MSc, PhD

Professor Paul Mativenga, BEng (Hons),  
MSc, PhD, MCIRP, FRSA

Dr Hema Radhakrishnan BOptom, PhD,  
MCOptom, FHEA

Professor Fiona Smyth  
(from 14 November 2023)

## Category 4, members of staff other than academic or research staff (1)

Tom Jirat BA (Hons)

## Category 5, student member (1)

Tesnime Safraou, City and Community  
Officer - Students' Union

*The following were members of the  
Board of Governors in the previous  
academic year, to the dates shown:*

Professor Jim Warwicker BSc PhD  
(until 31 August 2023)

Professor Daniela Caselli, BA (Hons),  
MA, PhD  
(until 6 February 2024)

Dr Eric Lybeck, PhD  
(until 29 August 2023)

*The following became members of the  
Board of Governors with effect from  
1 September 2024:*

Professor Soumhya Venkatesan

2	Chair's foreword
4	President and Vice-Chancellor's review of the year
10	Year in pictures
16	Financial review by Carol Prokopyszyn, Chief Financial Officer
24	Corporate governance statement
29	The University of Manchester public benefit statement and impact
36	Trade union statement
37	Remuneration Committee report
42	Statement of the Board of Governors' responsibilities for the year ended 31 July 2024
43	Independent auditor's report to the Board of Governors of The University of Manchester
49	Financial statements for the year ended 31 July 2024
50	Statement of principal accounting policies
57	Consolidated statement of comprehensive income
58	Consolidated statement of changes in reserves
59	Consolidated statement of financial position
60	Consolidated statement of cash flows
61	Notes to the financial statements



# CHAIR'S FOREWORD

**PHILIPPA HIRD**

**Chair of the Board of Governors**

Reflecting on a milestone year of celebration, challenge and collaboration. Looking ahead and laying foundations for the future.

## Introduction

It has been an important year for the University as we celebrated our 200th anniversary. The milestone has been marked by a fitting series of commemorations throughout 2024. After 14 years at the helm, we said goodbye to Professor Dame Nancy Rothwell with a number of wonderful events to mark her achievements and, following extensive engagement across the University and with stakeholders, we welcomed Professor Duncan Ivison as he takes over as President and Vice-Chancellor.

We are proud of what we have achieved against *Our future*, the University's vision and strategic plan, and look forward to creating the foundations for the next 100 years with a strategic review that will begin in the autumn of 2024. Our commitment to achieving the United Nations' Sustainable Development Goals remains unmatched – we are the only university to rank in the top ten of the *Times Higher Education Impact Rankings* for six years running. The Board were delighted that the University received a Silver Award in the Race Equality Charter evaluation; Disability Confident Leader status and silver overall in the Teaching Excellence Framework (TEF).

We continue to be a popular choice for home and international students. As we look ahead to next year, we will focus on improving the experience of university life for all our students. This includes continuing the redevelopment plans for student accommodation, aiming to deliver 3,300 new bedrooms on the Fallowfield campus. Investment in our University as an innovation leader is also a priority with plans to make the Renold Building an innovation hub – part of the wider ID Manchester (trading as Sister) development. A report commissioned by the University showed ID Manchester as a key driver of sustainable urban development. Investments have also been made in our existing infrastructure, including the official opening of the £150 million Paterson Building and the new home for the Christabel Pankhurst Institute for Health Technology and Innovation.

We experienced sector-wide industrial action and student protests focusing on the tragic events in Gaza. The Board recognise the valuable collaborative work of the Students' Union and University staff, which allowed for a peaceful resolution to an encampment in Brunswick Park.



### Board of Governors

Top (left to right) Danielle George, Gary Buxton, Guy Grainger, Luke Georghiou, Jatin Patel, Tony Raven, Caroline Johnstone, Carol Prokopyszyn, Deirdre Evans.

Middle (left to right) Anna Dawe, Ann Barnes, Lexie Baynes, Hannah Mortimer, David Buckley, Nick Hillman, Paul Mativenga, Tom Jirat, Mark Rollinson.

Front (left to right) Fiona Smyth, Hema Radhakrishnan, Patrick Hackett, Nancy Rothwell, Philippa Hird, Reinmar Hager.

## Financial performance

The University achieved a good financial performance in the 12 months to 31 July 2024 and we delivered an adjusted operating surplus of £41.6 million. This was down £65.2 million from last year, excluding the changes to the USS deficit recovery plan.

Our financial performance underpins our investment in our people, our students, our research, our services and our estate. This year has seen investment in critical digital infrastructure that will underpin our performance and the experience of our students and staff.

There are ongoing financial challenges in the sector, but we have planned carefully and remain in a stable position. The Board remain of the view that that a larger surplus would allow for sustained progress in critical investments such as our Zero Carbon Masterplan.

## Governance

During the year in review, the Board has continued to oversee the delivery of *Our future*, including monitoring and challenging our executive team on investment and on areas of opportunity and risk.

I am hugely grateful to all Board members who contributed significant time to the process of appointing our new President and Vice-Chancellor, to major investment decisions and to careful decision-making on some hugely sensitive issues.

For the second year running we held a joint Board and Senate meeting with a focus on academic assurance. Board and Senate members found the meeting positive and useful. Senate were also closely involved in the appointment process for the new President and Vice-Chancellor.

This year we said goodbye to two committee Chairs – Gary Buxton, who chaired our Remuneration Committee, and Caroline Johnstone, who chaired our Finance and Investment Committees. The University has benefitted enormously from their commitment and expertise. We also said goodbye to our two student Board members – Hannah Mortimer and Tesnime Safraou. Their judgement and insight have been critical in bringing the perspectives of our students to sensitive and important decision-making. We will miss them and are delighted that Lexie Baynes and Katie Jackson will be joining us for next year.

## Looking ahead

We enter our third century with Professor Duncan Ivison leading the University. The year ahead will bring important decisions about strategic direction and priorities for investment. In 2025 – continuing the momentum created by our bicentenary celebrations – the University will launch its first major fundraising and volunteering campaign to underpin our global research impact, our innovation, and our student support.



# PRESIDENT AND VICE-CHANCELLOR'S REVIEW OF THE YEAR

## **PROFESSOR DUNCAN IVISON**

### **President and Vice-Chancellor**

I'm delighted to be writing my first review of the year for the Financial Statements as President and Vice-Chancellor at The University of Manchester.

I want to begin by acknowledging that many of the activities I'll discuss occurred while my predecessor was still in post. I would like to thank Professor Dame Nancy Rothwell for her many achievements during her 14-year tenure, in which she delivered a transformation of the estate, a model for civic engagement, regional partnership and social responsibility, and steered us through significant global challenges. I would also like to thank the wider University community for giving me, and my partner Di, such a warm welcome.

During this review period, there have been many changes, for our University and the wider world. The University continued its support for staff and students affected by the ongoing conflict in the Middle East, including working alongside the Students' Union to help resolve an encampment at Brunswick Park. We also welcomed a new Labour government in July – and look forward to working with them across key policy areas including innovation, regional economic growth, productivity, public health and shaping a new path for the higher education sector. While the sector currently faces serious financial challenges, which we cannot ignore or be complacent about, our careful approach to financial sustainability provides us with a platform from which to build for the future.

The year saw us mark our bicentenary. To kick off our 200th anniversary, we brought together hundreds of people at our Oxford Road campus for *Light Up*; an event that saw our

buildings lit up in Manchester's iconic purple and an evening of music, poetry and performance at venues including Manchester Museum. We also welcomed notable speakers and guests, including Professor Sir Chris Whitty and our Chancellor Nazir Afzal OBE, to feature in our *Talk 200* lecture and podcast series.

We ran the *Made in Manchester* competition, challenging our students to express what Manchester means to them through art, poetry, writing or video. We received dozens of wonderful entries, from which fellow students voted for three winners, one from each Faculty. In June, we held our flagship bicentenary festival on campus. *Universally Manchester* brought together thousands of people over four days to enjoy talks, interactive sessions, live performances and music.

We were once again recognised for our social and environmental impact in the 2024 *Times Higher Education* Impact Rankings. As number one in the UK and Europe, and second in the world, we're the only university to maintain a position in the top ten for six years running.

## Introduction

Despite internal and external challenges, 2023/24 has been a successful year for the University, and we celebrated key achievements and milestones against the University's three core goals (research and discovery; teaching and learning; and

social responsibility) and four themes (our people, our values; innovation; civic engagement; and global influence). The review that follows details our progress in each area and I'd like to offer my thanks to our staff, students, alumni, donors and partners for their unwavering commitment, support and passion for our institution as we enter our third century.

## Research and discovery

Manchester remains a powerhouse of research, as we continue to aspire to bring together the world's best talent to find solutions to the world's biggest challenges. The last year has seen generous support from our donors to further this work, which has been received as a mix of donations and expendable/permanent endowments (some with donor-imposed restrictions). Highlights include:

- The University's Global Development Institute received a gift of £2 million from the Rory and Elizabeth Brooks Foundation to help deliver an ambitious programme of work aimed at redefining the role of global development research in the 21st century.
- Sir Terry Leahy contributed £1.5 million to fund a Chair in Urban and Regional Economics at Alliance Manchester Business School.
- Donations to our Manchester Breakthrough Fund enabled a new postdoctoral research position in the Tyndall Centre for Climate Change Research.
- Alumna Judith Sear committed more than £1 million to advance groundbreaking cancer research.
- After six years of development, the £150 million Paterson Building has officially opened, marking a milestone in Manchester's commitment to cancer research. This transformed facility is set to become a world-leading cancer centre.

Our five research beacons – advanced materials, biotechnology, cancer, energy, and global inequalities – along with our institutes and platforms, continued to accelerate interdisciplinary research to tackle global challenges across key areas:

- The first human trial of graphene was conducted, and suggested it has no short-term adverse effects



Meeting prospective students at one of our undergraduate open days.



Touring campus: Top row, left to right: Makerspace, Ardwick and the John Rylands Research Institute and Library. Bottom row, left to right: Manchester Museum, Nancy Rothwell Building and The Whitworth.

on lung or cardiovascular function in the human body, an important step in understanding how to apply nanomaterials in medical devices, treatments and monitoring techniques.

- The University has been awarded £30 million funding by the Engineering and Physical Sciences Research Council (EPSRC) to create four Centres for Doctoral Training as part of the UK Research and Innovation's (UKRI) £500 million investment in engineering and physical sciences doctoral skills across the UK.
- The Christabel Pankhurst Institute for Health Technology and Innovation officially opened its building on Oxford Road and, via a partnership with Cancer Research UK and the Christie NHS Foundation Trust, the Cancer Research UK National Biomarker Centre also opened and will provide new opportunities for early detection of cancer and subsequent treatment pathways.
- Led by Professor Saska Petrova, the GENERATE project was awarded £1.7 million by UKRI to further its research into the social, spatial and political inequalities that drive energy-related injustices.

### Teaching and learning

While we saw minor improvements in some areas of the National Student Survey, including those surrounding mental health and wellbeing, it also highlighted that our performance regarding student satisfaction continues to be disappointing and well below the standard we should expect. Fundamental requirements and minimum standards around assessment and feedback and the student voice are falling short as compared to our competitors. It is also an area that I know is of concern to many of our external partners.

The results of the latest Teaching Excellence Framework (TEF) were much better, and we were awarded gold for student outcomes – reflecting the quality of our outstanding graduates and our place as one of the most targeted universities by the UK's top graduate employers (*The Graduate Market Report in 2024*). Our TEF silver rating overall and for student experience shows the progress we have made in flexible learning, support for teaching and the provision of resources, but also challenges us to continue improving.

Part of our commitment to improving the experience for our students came

in the launch of the Student and Doctoral Academy Support Hubs. These Hubs provide everything from career advice to wellbeing support and help with funding and finances.

In April, we were named *University of the Year* at the Educate North Awards; a welcome honour during our bicentenary year. We were also shortlisted for two *Times Higher Education* Awards: recognising the sector-leading cost-of-living support package we offered our students and the IntoUniversity Salford Centre – both of which received generous support from our donors. Meanwhile, a £1.5 million gift from alumnus Simon Sadler enabled us to increase support for care-experienced and underrepresented student groups.

In October this year, we played host to the *Times Higher Education* World Academic Summit. The event brought together thought leaders from around the world and across academia, policy and industry to explore the theme: 'Making a difference: the role of universities in a rapidly changing world'. This high-profile event provided an important opportunity to discuss new innovations and ideas, and showcase the University's strengths to our global peers.



Meeting colleagues at Jodrell Bank Observatory and Visitors Centre, and taking a tour around the Lovell Telescope.

## Social responsibility

We are rightly proud to continue to perform exceptionally well in the *Times Higher Education* Impact rankings, which demonstrates the University's commitment to social responsibility in a way that few of our competitors can attest. Following the 2023 launch of our new Environmental Sustainability Strategy, *Our Sustainable Future*, we were recognised for our contribution towards our zero carbon target – winning the 2030 Climate Action Prize at the Green Gown Awards. In February, we were awarded accreditation by the United Nations' Environment Programme and became one of only 20 universities worldwide to have been given the accolade. The Board continues to have a key role in ensuring we continue to make progress towards our Zero Carbon Masterplan.

In late 2023, Manchester Museum invited the Aboriginal Anindilyakwa community of Australia's Northern Territory to the city to return 174 cultural heritage items as part of a landmark repatriation project. The University has taken a world-leading approach to these complex and important issues and returning these items has helped support Anindilyakwa cultural strengthening and revitalisation. Having spent the last

two decades in Australia, and with a deep research interest in some of the underlying ethical issues involved in these matters, I am very proud of the remarkable work the Museum has done through this project.

## Our people, our values

We continue to make progress towards an inclusive, fair environment for all. We became the first university in the Russell Group to win a Silver Award in the Race Equality Charter evaluation. We continue to focus on measurable markers of success in representation, retention, progression and overall culture to ensure our University is a great place to work and study for all.

Our submission to the Athena Swan and Disability Confident Leader accreditations also recognised our advancements in both areas; addressing gender inequalities and fostering inclusivity for staff and students in all disciplines and roles, along with meeting all three pillars of our Equality, Diversity and Inclusion Strategy to become a leader in disability inclusivity.

I'd like to take a moment to share a selection of staff, student and partner achievements from the last year:

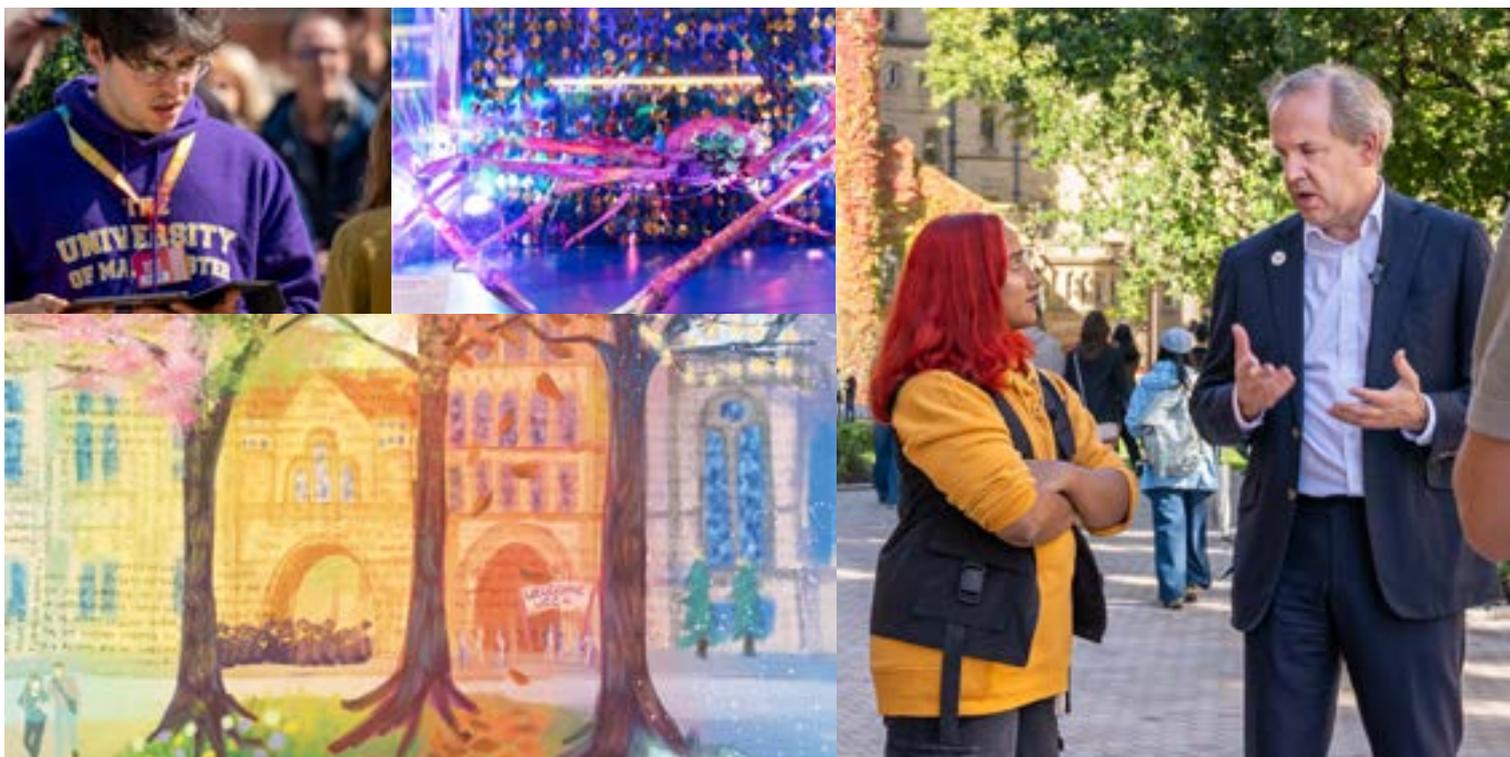
- Senior Lecturer in Critical Theory and Creative Writing, Jason Allen-Paisant won the UK's most prominent

poetry award, the TS Eliot Prize for his collection, *Self Portrait As Othello*, exploring Black masculinity and immigrant identity.

- Professors Anthony Green and Rahul Nair were awarded the prestigious Blavatnik Award for Young Scientists in recognition of their work in Chemical Sciences and Physical Sciences and Engineering.
- Several former students and key figures in Manchester's charity sector were awarded the University's highest non-degree award, the Medal of Honour. These included charity leaders Nick Bent, Abigail Shapiro and Justin Watson, philanthropist and alumnus Andrew Brode, founder of the Centre for Pharmacy Postgraduate Education Jeanette Howe OBE, and volunteer and community leader in education and parental bereavement, Jo Richler.

## Innovation

ID Manchester (trading as Sister), the £1.7 billion innovation district set to transform our North Campus into a world-leading science and technology hub, continues to develop at pace. A report we commissioned illustrated Sister's crucial role in driving sustainable urban development, creating jobs and fostering economic growth.



Top row, left to right: Student Ambassador supporting our bicentenary festival, The Museum's spider crab enjoys a disco glow-up as part of our Light-Up event, Chatting with students on campus and bottom left, one of the winning *Made in Manchester* competition entries.

As part of the development, the Renold Building – a key fixture of the former UMIST site – will become an innovation hub. The building will provide co-working spaces to boost collaboration between researchers, entrepreneurs, businesses and partner organisations, along with allowing areas for community participation.

Our 20-year, multi-million-pound partnership with Boots and the No7 Beauty Company was renewed for a further five years. This high-profile partnership is furthering skin science advancements and developing new products that are revolutionising skin care in the beauty industry. Global power technology leader and developer of air handling solutions for vehicles and machinery, Cummins Inc., also entered a five-year strategic partnership with us – providing our researchers with the space and technology to explore the use of hydrogen in future power solutions.

Knowledge exchange has remained a key priority and this year the University achieved the maximum possible rating of 'very high engagement' for intellectual property and commercialisation according to the Knowledge Exchange Framework. This reflects the work of the Innovation Factory in licensing, intellectual property income, investment and

turnover of spinouts. To date we've received £15 million from the UK Research and Innovation Impact Acceleration Account to turn cutting-edge research into innovative solutions. Donor support of our Ideas with Impact programme continues to support a robust innovation pipeline.

### Civic engagement

The University became the second institution in the UK to achieve the Platinum Watermark Award by the National Coordinating Centre for Public Engagement (NCCPE). This recognises our exceptional leadership in public engagement, high standard of professional support and excellence in partnership working.

### Global influence

In the last year we've welcomed students from across the globe and forged partnerships with peer institutions and multinational businesses. We rose to 23rd place in the *Times Higher Education* Most International University rankings and welcomed one of the largest international student populations in the UK to our campus.

Late 2023 saw a new strategic partnership launch with Osaka University. The new alliance complements the ongoing civic

engagement between our two cities and will facilitate increased research engagement in areas such as environmental sustainability, advanced materials and biotechnology.

We were also delighted to announce that Manchester researchers in the 'Team Womb' collective, led by Professor Emma Crosbie, were awarded the prestigious American Association for Cancer Research Award for their pioneering work on Lynch syndrome-associated endometrial cancer.

### Financial sustainability

Financial sustainability is a crucial component of the University's long-term success, allowing us to invest in delivering our strategic priorities and taking on challenges of the future. As a charity, we create a surplus, not for profit but to reinvest and support our core activities in research and discovery, teaching and learning, and social responsibility.

The current situation in the sector, along with the higher costs of living, and the demands on us as a successful teaching and research-intensive institution are putting increased pressure on our finances. It is therefore necessary to deliver sufficient funds to invest in our infrastructure and



As part of *Universally Manchester*, The Whitworth presented *The Carnival* – a day of vivid colour, uplifting rhythms and infectious energy.

deliver on our ambitions. Despite these cost pressures and increasing levels of expenditure, the University has managed its finances to continue to generate positive cash-flows for reinvestment.

Our continued popularity with prospective students, combined with our excellence in world-leading research has led to a marginal increase in total income of £20.1 million or 1.5% from 2022/23.

We have many areas of continued investment including IT infrastructure services and cyber-attack prevention, maintenance of our substantial estate, and student and staff-related support and facilities, including the residences development.

Full details are available in our Financial Review (page 16).

**The future**

It's a time of great change and opportunity for our University. 2025 will see the launch of our first major fundraising and volunteering campaign. This will be critical to our future success, as increasing philanthropic giving and growing our endowment will help provide the margin of excellence that truly great universities need to flourish. At the same time, we begin our next century and develop

our vision and ambition through a new decadal strategy: Manchester 2035.

As part of this process, we will bring our community – students, staff, alumni, and partners – together to sharpen our strategic focus for the next decade. We're going to ask not only what kind of university we want to be by 2035, but also what kind of university we *need* to be, given the challenges faced by the communities we serve.

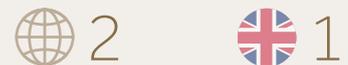
As we take The University of Manchester into its third century, I look forward to working with you as we adapt and change to take on these challenges with fresh energy and ambition.



**Professor Duncan Ivison**  
President and Vice-Chancellor

**Our rankings at-a-glance (23/24)**

**Times Higher Education University Impact Rankings**



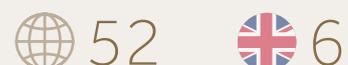
**QS World University Rankings**



**Times Higher Education World University Rankings**



**Academic Ranking of World Universities**



**Teaching Excellence Framework**



# YEAR IN PICTURES



**1****Light Up**

To kick off our bicentenary celebrations, we hosted the *Light Up* event in January 2024. We 'painted the town purple' – creating a brilliant pathway of purple light, illuminating our campus buildings along Oxford Road, including the Whitworth Arch and Manchester Museum.

Campus was alive with activity as hundreds of people took to the streets to take part in the countdown to the light switch on, before heading to one of the exciting events on offer, which included live music and specially-commissioned poetry.

A projection onto our distinctive University Place building shone a light on our inspiring community, featuring some of the people who have made, and continue to make, a real difference in Manchester and across the globe.

Further afield, our global centres – from Shanghai to Hong Kong, Singapore and Dubai, were aglow with colour as current students and alumni celebrated our 200th anniversary. *Light Up* was a truly global event, and a fitting way to launch our bicentenary year.

**2****Universally Manchester Festival**

In June, we welcomed thousands of visitors, on campus and online, to four unforgettable days celebrating 200 years of our remarkable history, inspirational people and world firsts. *Universally Manchester* offered a packed programme of imaginative and immersive events, with entertaining talks, powerful performances, inspiring exhibitions, behind-the-scenes tours, family-friendly activities and much more.

It was a special opportunity to celebrate the diversity and rich heritage of our community, showcasing all the ways we make a difference. Speakers included Professor Brian Cox, BBC historian Professor Michael Wood and our own Chancellor, Nazir Afzal OBE. *Universally Rocks!* brought an exciting night of live music to the iconic Academy 2 venue, while The Whitworth was transformed into a carnivalesque wonderland with music, interactive experiences and a celebratory atmosphere.

**3****Made in Manchester student competition**

In celebration of our bicentenary year we set our current students a challenge – share what being 'Made in Manchester' means to them through a piece of art, video or writing. We received dozens of entries that reflected the spirit, impact, diverse and transformative experiences of the University, and asked fellow students to vote for their favourite from each Faculty.

The winning artworks included *Kaleidoscope of Change* by Nghi Lam (Faculty of Biology, Medicine and Health) whose vibrant representation of the seasons captured the unique blend of events that shape a student's lasting experience; *Queens Arch* by Intouch Arunepunlop (Faculty of Humanities) who captured Manchester's dynamic and diverse community (pictured below); and *Whitworth Arch* by Daniella Othman (Faculty of Science and Engineering) who portrayed the fusion of different cultures, identities and experiences that make the University a special place to learn and grow.

**3**

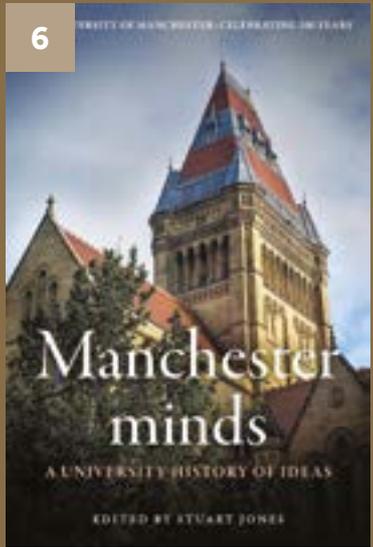
*Queens Arch, Intouch Arunepunlop.*



4 THE World Academic Summit.



Bicentenary Way installation in Brunswick Park. 5



6

Manchester Minds: A university history of ideas front cover.

## 4

**THE World Academic Summit**

In October 2024 the University hosted the *Times Higher Education (THE) World Academic Summit*, welcoming 500 delegates from across the world to campus and featuring more than 100 speakers for a four-day event exploring the theme 'Making a difference: the role of universities in a rapidly changing world'.

Some of the world's most inspiring thought leaders and influential change-makers explored how higher education, industry and policymakers might work together to ensure universities can continue to drive positive change within local, national and international communities. The event tackled key questions facing the sector including the importance of civic responsibility, driving innovation, collaboration between institutions and global impact for the common good.

The Summit also launched the world's most widely recognised higher education rankings, *THE's World University Rankings, 2025*.

## 5

**Bicentenary Way**

This striking installation in Brunswick Park was created as part of our milestone celebrations and tells the story of our origins, innovations and the people behind them since 1824. Located across the road from the Queen's Arch, Bicentenary Way recognises key figures and groups who have made an inspirational contribution to the life of the University and to society more generally. Commemorated in a series of hexagonal plaques, it features both recognisable historical figures including Alan Turing and Ernest Rutherford, alongside A-list alumni like Benedict Cumberbatch, and those who, though perhaps lesser known, embody our values and community spirit, and have shown what it means to make a difference.

As our third century unfolds, we'll continue adding to Bicentenary Way, ensuring our greatest asset – our people – continue to be celebrated and are forever connected with our campus and city.

## 6

**Manchester Minds**

Created for our bicentenary, *Manchester Minds: A University History of Ideas* celebrates the trailblazing efforts of our people to advance human knowledge, and the lasting impact of their contributions. From the activism of poet Eva Gore-Booth to the groundbreaking economic theories of Arthur Lewis, our university has a proud history of pioneers with future-defining ideas.

In this collection of essays, edited by Stuart Jones, readers can discover how these influential people, their thoughts, theories and discourse helped shape the city of Manchester and the wider world. The book also explores what it is to be a civic university and presents a new perspective on the shared history between the institution and its home.

As we look forward to our third century and the next generation of Manchester minds, this book is a celebration of those who paved the way and made their mark on the University, city and beyond.

## 7

**Talk 200**

As we reflect on our past, celebrate our present and look to the future, our newly created podcast series, *Talk 200*, invites listeners to be part of the Manchester journey. Episodes were released throughout our bicentenary year and comprised of four in-person and live-streamed lectures, and six recorded podcast episodes.

Hosted by author and alumnus Andy Spinoza, we welcomed a diverse line-up of guests from our community including Professor Sir Chris Whitty and our Chancellor Nazir Afzal OBE, to discuss topics ranging from artificial intelligence (AI) to health inequalities and fairer treatment in the legal system.



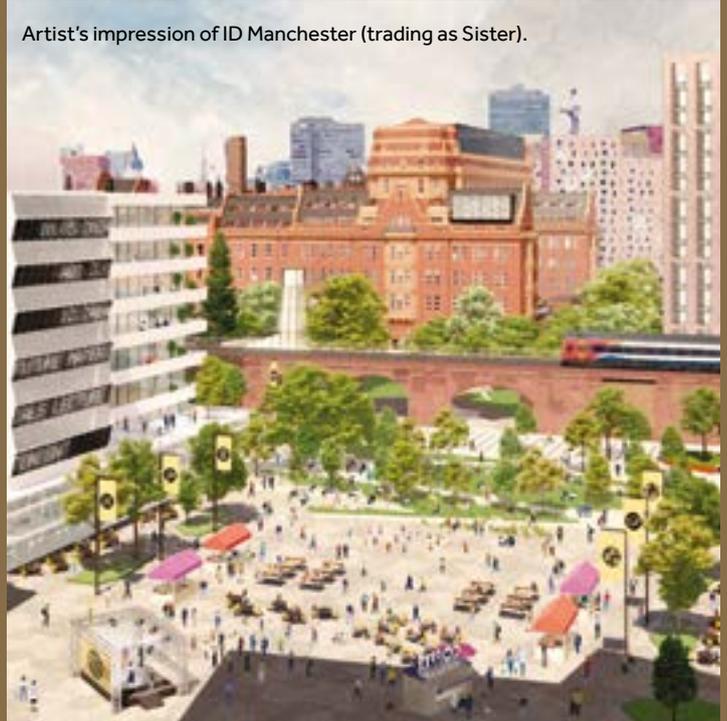
7 Nazir Afzal OBE.

# A YEAR OF ANNIVERSARIES

8 Manchester Mechanics' Institute, 1885.



Artist's impression of ID Manchester (trading as Sister).



Catherine Chisholm CBE, our first female medical graduate, 1904.

9

8

### UMIST to Sister: an evolution in innovation

Tracing its roots back to the establishment of the Manchester Mechanics' Institution in 1824, the former University of Manchester Institute of Science and Technology (UMIST) was an evolution of a national movement to provide a new kind of education for working people. It officially became known as UMIST in 1966, before achieving autonomous university status in 1994 until the merger with Victoria University ten years later.

Now, plans are in motion to turn the old UMIST buildings into a £1.7 billion innovation district – ID Manchester (trading as Sister) – via a partnership between the University and Bruntwood SciTech. The area will house offices, studios, labs and shops, as well as more than 1,500 homes and nine acres of public space. It will create 10,000 new jobs and give a new lease of life to this part of the city.

9

### Training doctors for 200 years

Our bicentenary isn't the only anniversary we've celebrated this year. The University has a long history of providing world-leading medical and dental education. 2024 also marks 200 years since the original medical school was established, before later combining with Owens College in 1880 to become Victoria University.

Victoria University went on to merge with UMIST in 2004 to form what we now know as The University of Manchester, before becoming part of the School of Medical Sciences in 2016 and expanding its remit to dentistry and training physician associates. It now accommodates more than 4,000 undergraduate and postgraduate students, 2,000 staff and is the biggest provider of healthcare graduates to the NHS in the north-west.

10

### 20 years of 'wonder material' graphene

2024 marks two decades since Sirs Andre Geim and Kostya Novoselov isolated graphene, the 2D wonder material. The discovery, made during an informal experiment with a piece of sticky tape that removed thin flakes of material from graphite, sparked an explosion of activity, as researchers and businesses around the world investigated graphene's potential applications.

Today, researchers are looking at how it can be used as a filtration system, to reduce carbon output and as a lithium-free energy storage system. These projects and others, including graphene-enhanced concrete to reduce carbon emissions, and lightweight cars and planes that use less fuel, are part of a growing wave of research that could bring graphene into everyday use.



10 Sirs Andre Geim and Kostya Novoselov.



# FINANCIAL REVIEW

## **CAROL PROKOPYSZYN**

### **Chief Financial Officer**

This Financial Review describes the main trends and factors underlying The University of Manchester's consolidated performance during the year ended 31 July 2024.

**Financial overview and key highlights**

Key Highlights	2023/24	2022/23	% change
Income and expenditure	£'000	£'000	%
<b>Total income</b>	<b>1,364,783</b>	1,344,665	1.5%
Total expenditure	<b>1,024,037</b>	1,237,876	(17.3%)
<b>Surplus before other gains and share of operating surplus of associates</b>	<b>340,746</b>	106,789	219.1%
Changes in USS deficit recovery plan	<b>(299,195)</b>	0	
<b>Adjusted operating surplus</b>	<b>41,551</b>	106,789	(61.1%)
<i>Adjusted operating surplus as % of income</i>	<b>3.0%</b>	7.9%	
<b>Total comprehensive surplus</b>	<b>343,429</b>	77,850	341.1%
<b>Net current assets</b>	<b>223,943</b>	162,098	38.2%
<b>Net assets</b>	<b>2,229,707</b>	1,886,278	18.2%
<b>Cash and current asset investments</b>	<b>488,877</b>	443,375	10.3%
<b>Operating cash inflow</b>	<b>88,712</b>	88,302	0.5%
<i>Net operating cash inflow as % of income</i>	<b>6.5%</b>	6.6%	
<b>Net cash outflow from investing activities</b>	<b>57,436</b>	74,543	(22.9%)
<b>Net cash outflow from financing activities</b>	<b>15,777</b>	16,350	(3.5%)

The continued strong demand for student places at Manchester, combined with excellence in world-leading research has led to a marginal increase in total income and another year of record levels of income at £1.4 billion. Despite cost pressures and increasing levels of expenditure (excluding changes in USS pension deficit recovery plan), the University has managed its finances to continue to generate positive cash-flows for reinvestment to deliver the strategic objectives.

The University's total adjusted operating surplus for the year (excluding changes to the USS deficit recovery plan) is £41.6m, 3% of total income, a reduction of £65.2m on the previous year.

Total comprehensive income for the year is a surplus of £343.4m (2023: £77.9m) after net actuarial losses of £13.5m (2023: £29.4m) from the University of Manchester Superannuation Scheme (UMSS) and Greater Manchester Pension Fund (GMPF) pension schemes. The actuarial loss can swing from a significant loss to a gain dependent upon factors outside the University's control.

Net cash inflow from operating activities is £88.7m, 6.5% of total

income. This is £0.4m higher than the previous year (which was 6.6% of income).

The University's cash and current investment holdings have improved by £45.5m. This has resulted from the £88.7m operating cash generated being greater than the net £57.4m outflow on investing activities including capital expenditure and £15.8m outflow on financing activities. £30.0m of cash was also moved into investments.

Total income has increased by £20.1m or 1.5% from 2022/23. This has resulted from a number of changes across our various income streams. Tuition Fee income is up £54.4m with Research grants and contracts up £16.8m and Investment income up £13.8m. Offsetting these are decreases in Funding body grants of £33.2m, Other income of £21.3m and Donations and endowments of £10.3m (£59.5m of the total £64.9m income reductions year on year are due to large receipts in 2022/23 for the Paterson Building).

Expenditure for 2023/24 includes a credit of £299.2m in relation to the 2023 valuation of the USS pension scheme and the resultant changes to the deficit reduction plan.

Excluding this one-off credit, total expenditure for 2023/24 of £1,323.2m has increased by £85.4m or 6.9%. The majority of the increase (£68.5m) relates to pay costs driven by a consolidated increase of 792 FTE staff, which equates to a growth of 7.5% on the previous year.

Despite these challenges, the University has continued to invest in strategic revenue projects which, including the residences development, totalled £52.1m in the current year, £1.4m lower than in the prior year.

The University has many areas it continues to need to invest in: student and staff related facilities and support, IT infrastructure services and further cyber-attack prevention, maintenance of its substantial and diverse estate and general improvement of its processes. With these challenges, the University's need for continued and extensive investment means that cash generation for re-investment is critical.

## Income review

### Total income

As explained above, total income increased by £20.1m to £1,364.8m, an increase of 1.5%. Our two major sources of income are tuition fees at 52% of the total income (2022/23: 49%), and research grants and contracts at 21% (2022/23: 20%).

Figure 1 is the five year trend of University income by type and by percentage of total income. This shows the increasing proportion of tuition fees.

### Teaching income

Income from tuition fees has increased by £54.4m or 8.2% to £714.3m in 2023/24. Full-time international student fee income accounted for £53.9m of this increase offset by a £4.8m decrease in full-time home and EU students and supported by a £5.4m increase in Short course fees. Fees from full-time international students now represent 61.4% of total tuition fees (58.3% in the previous year) and 32.9% of total income (excluding capital income), up by 2.5% from the previous year. Fee growth is now increasingly from pricing rather than an increase in numbers.

Figure 2 shows the distribution of students by type for 2023/24 and the prior year comparative: 2022/23.

In relation to the UK and international split Figure 2 also shows the student numbers by domicile. EU students are now classed as international students.

The student numbers also exclude students who are offshore with overseas partnership arrangements.

Figure 1: Five-year trend of University income by type

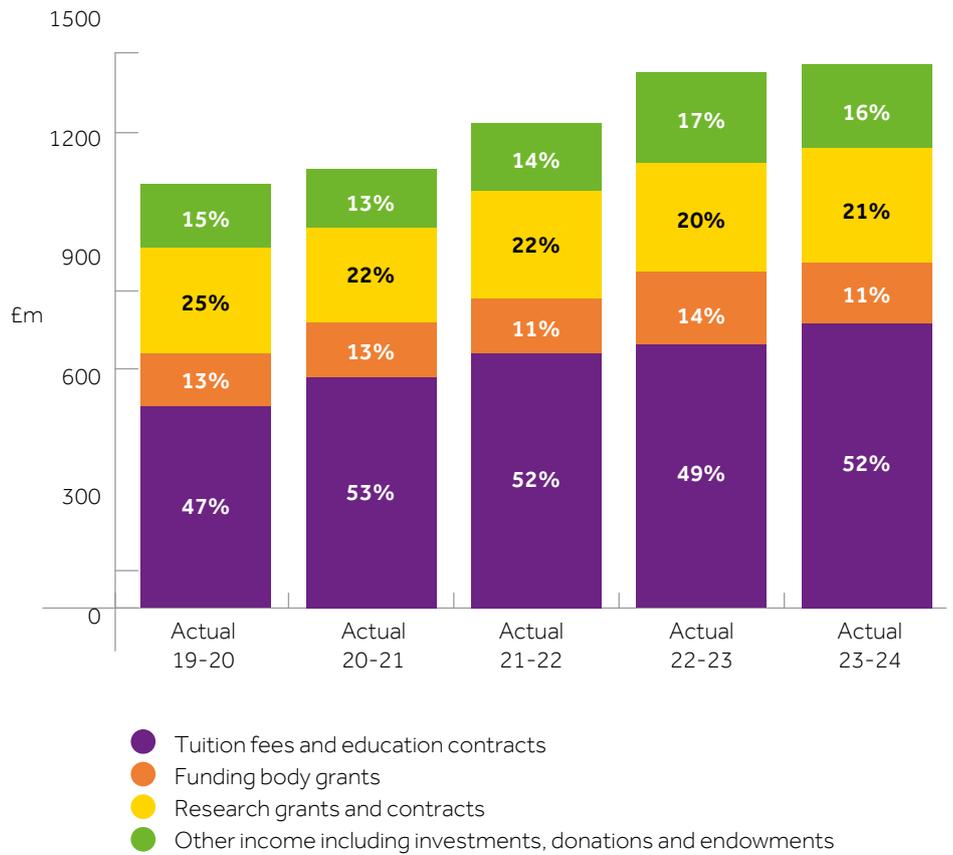
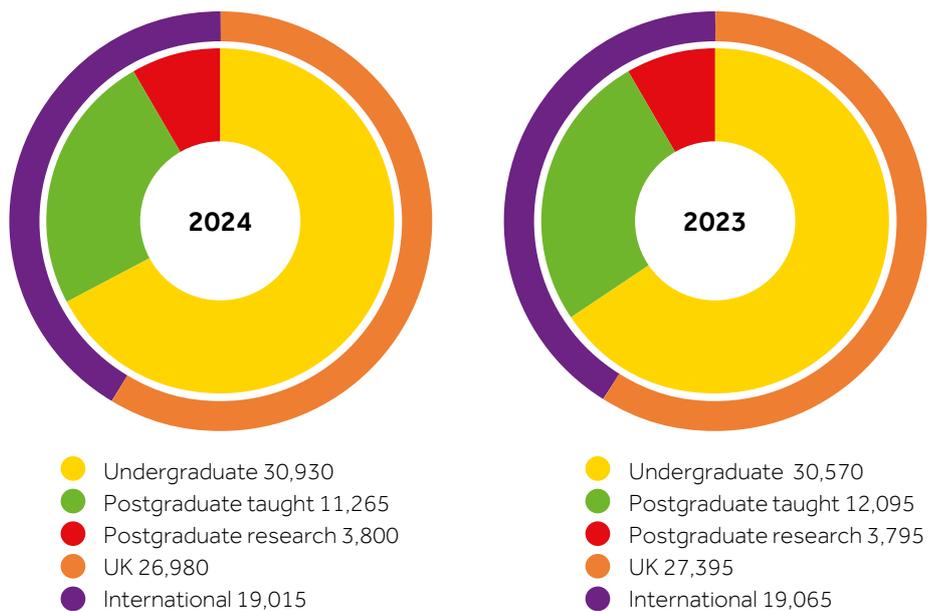


Figure 2: Distribution of students



## Funding body grants

Income from funding bodies has decreased significantly by £33.2m to £151.0m. Most of this decrease is due to the one off £25m UKRPIF grant in respect of the Paterson building recognised in the prior year.

## Research income

Research income has grown by £16.8m or 6.2% on the prior year to reach £287.9m. Research capital income increased by £5.9m. In terms of funding sources, the largest growth is in Research Councils which has grown £15m or 12.7%. In percentage terms, UK Industry funding has grown the most with a 26.5% or £4.4m increase.

## Other income

Other Income has decreased by £21.3m, £25m of this is attributable to a one-off CRUK capital grant for the Paterson building recognised in the prior year. An £8.9m increase in residences and catering income helps to offset this with smaller decreases in other grants and income from supply of goods and services.

## Investment Income

Investment income has increased by £13.8m from £17.4m to £31.2m as a result of higher interest rates, an increase in cash and cash equivalents on the prior year plus an increase in investments.

## Donations and Endowments

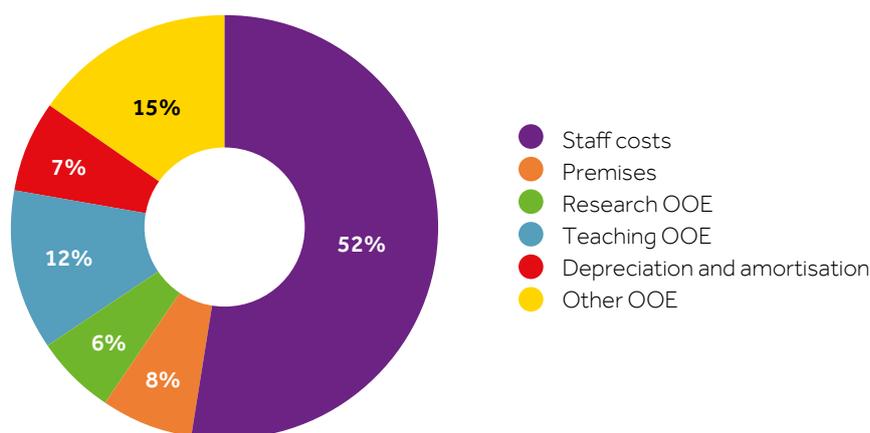
Donations and Endowments income has decreased by £10.3m from £18.6m to £8.3m. The reduction is principally due to significant donations received in 2022/23 in relation to the Paterson Building of £9.5m. The £8.3m recognised within Donations and endowments is part of £17.3m total philanthropic income recognised across Donations and endowments, Research grants and contracts and Other income. The total New Funds Raised (NFR) this year was £21.2m, which includes amounts pledged but not recognised in the accounts.

## Expenditure review

### Total expenditure

Figure 3 is a pie-chart that shows the proportion of the University's operating expenditure for 2023/24. Ignoring the current year £299.2m USS one off item referenced earlier, total expenditure increased by £85.4m to £1,323.2m, an increase of 6.9%. Staff costs have

Figure 3: Total expenditure



increased by £68.5m or 11% whilst other operating expenses have increased by £16.9m or 3.5%.

### Staff costs

The overall increase in staff costs of £68.5m was split between wages and salaries at £36.1m and pension costs at £28.7m.

Wages and salaries increase is 7.6% on the prior year and correlates with a 7.5% increase in staffing numbers overall. The cost of living pay award of 5% for most grades is offset to some extent by £10.7m of one-off cost of living payments made in the prior year. High staff vacancy rates continue to be a challenge and without continued high rates, the growth in headcount and cost would have been more pronounced.

Staff costs as a percentage of income is a key metric. For 2023/24 staff costs are 52.0% of total income (excluding capital income). This compares to 49.4% for the prior year.

### Other operating expenses

Other operating expenditure has increased by £16.9m and as a percentage of income (excluding capital income) it has reduced to 36.9% compared to 36.2% in the prior year. Academic and related expenditure has increased by £10.5m and residences, catering and conferences by £8.1m, offset by a decrease in central administration and services by £8.4m. Growth in Academic and related expenditure is linked to additional research spend, an increase in student support, additional library costs and

increased travel, especially for fieldwork trips. The increase in residences, catering and conferences is due to increased lease costs on leased halls of residences.

The reduction in Administration and central services is linked to cost of living payments made to students in the prior year which were not repeated in 2023/24.

### Depreciation and amortisation

This has increased from the prior year by £1.6m which reflects capital additions in the year.

### Strategic revenue expenditure

The University has a significant programme of major projects, primarily revenue in nature, which are aimed to bring about IT modernisation, system and process efficiencies and to transform some of our professional services. The University maintained its high level of investment in this area at £52.1m in 2023/24 in line with the 2022/23 spend of £53.5m.

This includes £2.9m investment specifically related to the development of the University's Fallowfield residences.

## Capital investment

### Capital expenditure

Figure 4 shows the level of capital spend undertaken by the University over the last five years, primarily driven by the Campus Masterplan, which has now come to a close. In 2023/24 capital expenditure (including intangibles) marginally decreased by £1.8m to £76.9m (2022/23 £78.7m). This expenditure was spread over a number of projects including Booth Street East renovation and zero carbon works, redevelopment of the Dalton Ellis residences, Chemistry Building 3rd floor renovation and move works with respect to the Nancy Rothwell Building (formerly MECD).

Assets under construction of £55m includes the Chemistry Building 2nd floor renovation, library renovation works and other long term maintenance and zero carbon works on Crawford House, the Carys Bannister Dental Laboratory, Jodrell Bank and the Zochonis, Rutherford and Simon buildings.

All risks relating to capital are monitored by the University's Finance and Capital Planning Sub-Committee with support from the University Estates and Finance teams. Recommendations from the sub-committees are reviewed for approval by Finance Committee.

The University is focused on improving the environmental sustainability of its estate and is in the process of investing significantly on moving towards zero carbon. 2023/24 saw the completion of three zero carbon buildings, namely Booth Street East and two residential blocks, Dalton Ellis Ewings and Graham. Booth Street East expenditure totalled £11.2m in 2023/24 and represents the first building on campus to be heated solely from air source heat pumps, reducing emissions by 75% from day one.

### Capital commitments

The main capital commitments that were contracted but not yet provided for total £33.6m and comprise a number of items, the most significant being the Rutherford Building refurbishment (£8m), University Library refurbishment (£4m) and a new transmission electron microscope (£6m).

Authorised commitments not contracted for total £162.3m and

Figure 4: Capital additions

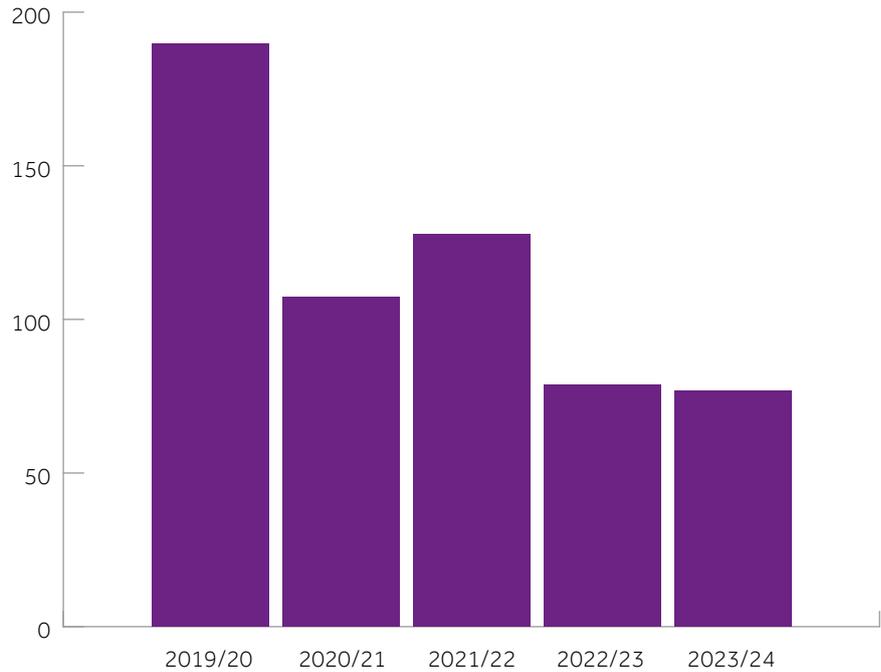
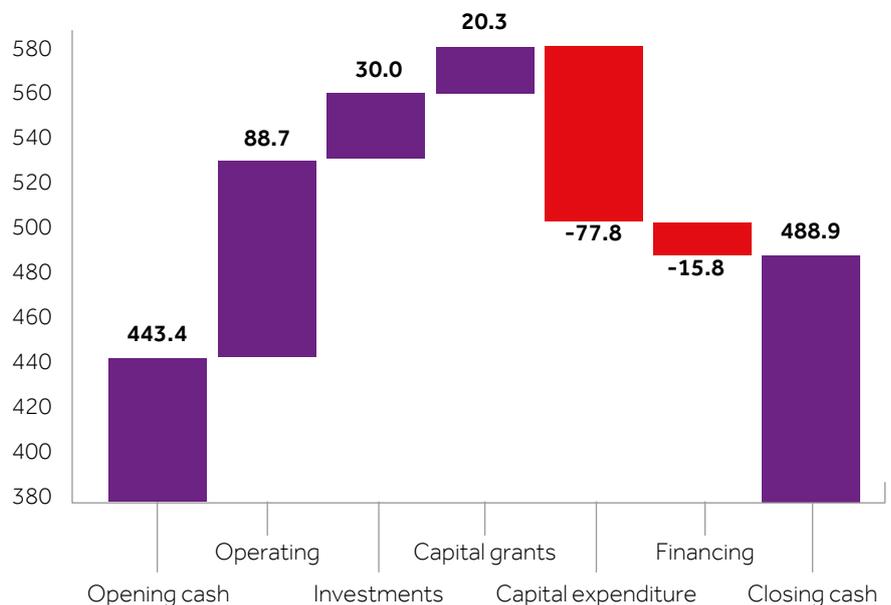


Figure 5: Movement in cash and current investments £m in 2023/24



comprise the following material projects: £32m Zochonis Building long term maintenance works, £28m for Humanities Bridgeford Street maintenance and zero carbon works, £12m for the John Garside North Campus Energy Centre, £11m for the zero carbon masterplan and £19m for long term capital maintenance.

### Cash and liquidity

Cash and current asset investments were £488.9m at 31 July 2024, an increase of £45.5m from the prior year. Liquidity days have remained relatively static with a slight increase to 147 days compared to 143 in 2022/23. The liquidity days' calculation adjusts expenditure to exclude depreciation,

amortisation, one-off non-cash movements in pension provisions and pension interest costs.

Cash and current asset investments are split between cash and cash equivalents of £188.9m (2023: £173.4m) and deposits held with bank and building societies of £300m (2023: £270m) which mature between 3 months and one year.

The main cash inflow shown in the cash flow statement in 2023/24 was £88.7m from operating activities; offset by investing activities of £57.4m (mainly capital spend, investment acquisition and deposit placement offset by capital grants received) and financing activities of £15.8m, primarily interest paid on the University's loans. Details of the University's current loan arrangements are in note 20.

The cash position is a key measure of our financial sustainability and, as such, is closely managed as part of our financial performance and planning process. The University's current metric is to have a minimum of 90 days operating expenditure in cash and on deposit and this metric was exceeded throughout the year.

## Fixed asset investments

### Investment performance

Of the University's total non-current investments of £234.6m, £226.1m relates to the University's endowment investment portfolio (capital element only). The value of the University's investments has increased resulting in an £18.3m gain as at 31 July 2024, this is after a £2m drawdown for targeted endowment investment.

The performance of the fund managers continues to be monitored by the Investment Sub-Committee (a sub-committee of Finance Committee) against investment targets set as part of the University's investment strategy. The asset allocation as at 31 July 2024 was as follows:

Equity	54%
Diversified growth fund	19%
Property	11%
Short Duration Credit	8%
Absolute Return Fixed Income	8%

The University has set decarbonisation targets for its endowment investment

portfolio for the period 2023-2027 within its Policy for Responsible Investment. The University published its 'Endowment Investment Portfolio Climate Change Report' in March 2024 for the year ended 31 July 2023, in line with the TCFD (Task Force on Climate-related Financial Disclosures) framework. The report confirms that:

- The University has reduced the Weighted Average Carbon Intensity (WACI) in the equity portfolio by c.47% relative to the 2019 position, compared to a target of a 50% reduction by 2027.
- The University's fixed income portfolio has a WACI which is 44% lower than the baseline year benchmark and is therefore ahead of its 2027 target of a 40% reduction by 2027.
- The University also has a target for its property investments of a reduction in energy usage of 10% by 2027 (compared to the baseline year of 2019) and to use 100% renewable energy by 2027.
- The percentage of landlord procured REGO backed renewable energy for 2023 was 100% (56% in 2022). Therefore, the University has now hit this target ahead of the 2027 date.
- The reduction in energy usage within the property portfolio as at 31 July 2023 was c.+1.1% versus the baseline year (-1.3% versus baseline in 2022 and -7.8% versus baseline in 2021).

The latest TCFD report can be found here: [www.manchester.ac.uk/about/governance/corporate-documents](http://www.manchester.ac.uk/about/governance/corporate-documents)

## Pension liabilities

The University's pension liabilities have significantly reduced from £401.3m to £111.6m. Due to deficit recovery contributions ending in December 2023, the provision for the University's obligation to fund the deficit on the USS pension (2023: £292.5m) was released in the year.

The remaining of £111.6m (2023: £108.8m) relates to the University's own scheme, UMSS and its participation in the local authority scheme, GMPF. These are valued on an FRS102 basis rather than the full actuarial basis. The UMSS liability has increased by £3.0m as the increasing defined benefit obligation was not offset by increased investment values. GMPF is in surplus but the asset has not been recognised as the University does not have an automatic right to reimbursement and future contributions, including deficit contributions remain unchanged. The unfunded element of GMPF shows a small liability of £0.9m.



Extension to the Christie Building science library in the 1950s.



Christie's memorial window on the building's main staircase

## Key financial risks

Overview	Analysis
<p><b>UK Higher Education sector business model drives increasing dependency on international fees</b></p>	<p>There is a strong UK student demographic and Manchester is very popular as a destination but there is a limited economic case for domestic student growth. The UK sector is under-funded primarily because the current business model of home tuition fees remaining fixed at £9,250 (unchanged since 2017). This means that UK undergraduate fees continue to decline in real terms as inflation continues to push the cost of teaching delivery upwards.</p> <p>A more sustainable approach to funding higher education is needed that is fair and affordable to students, while safeguarding the pipeline of science, skills and innovation which universities provide for the UK economy. However, there is currently no government solution that aligns the expectations of the sector with available funding.</p> <p>As with other UK universities, the University is consequently reliant on international student tuition fees, with China being the dominant market. International student demand for the University of Manchester remains buoyant and continues to make up an increasing proportion of its tuition fee income. We carefully balance international recruitment to avoid significantly increasing key country dependency. Our aim continues to be to ensure our student population remains diverse and vibrant, with students able to meet others from around the world.</p>
<p><b>International student demand remains buoyant in the immediate term, but geopolitical and policy volatility is high</b></p>	<p>The University is highly successful in international markets which is both a strength and a source of risk. Fundamentally this is a feature of the UK sector business model due to lack of funding from other sources. Issues of immigration and national security remain prominent at a national level and there has been a marked deterioration in sector mood in the last twelve months as many universities are reporting significantly lower international applications/registrations than planned. The relative attractiveness of US, Canadian and Australian markets, each of which has different drivers, can impact the UK quickly, both positively or negatively, though each faces major challenges.</p> <p>The University itself remains reliant on students from a relatively small number of countries (notably China). To mitigate this, the University continues to invest in order to diversify its student population further and to mitigate the risk of geopolitical disruption. In addition, international fee pricing has been adjusted to ensure it is aligned with the market and Manchester’s global reputation. This limits further international student number increases but continues to require careful balancing to avoid increasing key country dependency. The University’s aim continues to be to ensure its international student population remains diverse and vibrant, with students able to meet others from around the world.</p> <p>The impact of geopolitical tensions on inflation is waning. Inflation is reducing but there are still issues around disrupted supply chains impacting costs and service delivery.</p> <p>The University continues to be sheltered from the impact of interest rate rises as interest on its long-term debt is fixed and it has no current intention to increase the debt. The University’s Revolving Credit Facility is floating rate but not utilised. It is in place solely as additional cash protection.</p>
<p><b>Current sector business model limits the University’s cash generation capacity and its ability to invest in its core estate and IT infrastructure</b></p>	<p>The University has one of the largest estates in the HE sector and its IT infrastructure needs are significant due to the size of its student and staff population and diversity of activities.</p> <p>With limited cash generation for investment, the University’s ability to decarbonise its estate, maintain/ replace major facilities, and best deploy its estates assets in a hybrid world are severely constrained. To meet all its estate investment and 2038 zero carbon commitment, the University would need at least £750m.</p> <p>Student accommodation is a key area of investment and the University is in the process of securing a partnership with a third party to redevelop a large portion of the University’s Fallowfield site. This will be achieved via a Design, Build, Finance and Operate arrangement which requires minimal cash investment from the University itself. However, there are still other parts of the University’s accommodation portfolio which require investment which is being prioritised where possible.</p> <p>Similarly, the University needs to invest further in renovating its technologies and improve manual/complex processes to improve the staff/student experience. The University is investing in these areas via its strategic change programme in order to address these issues.</p>

<p><b>Cyber risk</b></p>	<p>Cyber risk remains one of the University's key financial risks. Following the cyber attack last summer the University has rapidly deployed further investment which has delayed or deferred other strategic investment. The complex IT infrastructure and operational needs of the University increases the inherent risk. The University will continue to invest to protect the University from future cyber attacks and improve resilience, however the risk still remains high.</p>
<p><b>Pay award pressure and cost of living concerns may significantly impact the University's cost base but also its ability to recruit and retain staff</b></p>	<p>There remains continued pressure on the University and sector cost base due to growth in wages and salaries and the prolonged impact of high inflation levels. The University has limited control over the setting of pay awards, for example, due to contractual increments and national pay bargaining. Further strike action, reputational damage, enhanced national pay settlements or more localised additional financial assistance for students and staff all remain possible. The recent implementation of changes to the USS pension scheme has helped reduce the risk of industrial action.</p>

**Going concern**

The Board of Governors has reviewed the financial forecasts and the key planning parameters that support the University's Strategic Plan. These have been tested against various scenarios, including several severe downside scenarios, which demonstrate that the University has access to adequate resources to continue to meet its obligations for the foreseeable future. Further detail is set out in the Statement of Accounting Policies on page 50 of the Financial Statements.

**Modern slavery act statement**

The University is committed to ensuring and actively monitoring that modern slavery and human trafficking is not taking place in any parts of its operation within the University and its supply chain. For further information relating to the Modern Slavery Act statement, see website [www.manchester.ac.uk/modern-slavery-statement](http://www.manchester.ac.uk/modern-slavery-statement).



Tom Kilburn and Freddie Williams with 'the Baby' computer, 1948



Electrical engineer Beatrice Shilling OBE, 1929



Ernest Rutherford and Hans Geiger in their lab at Manchester, 1908

# Corporate governance statement

The University of Manchester is an independent corporation which came into existence on 1 October 2004. It was established by Royal Charter on the dissolution of the Victoria University of Manchester and the University of Manchester Institute of Science and Technology (UMIST), both of whose rights, properties, assets and obligations were transferred to the institution by means of the University of Manchester Act (2004). This Corporate Governance Statement relates to the financial year ended 31 July 2024 and is current until the date of approval of the audited financial statements.

As a recipient of substantial public funding and by virtue of its educational objectives, it is considered an exempt charity under Schedule 2 of the Charities Act 2011, with the Office for Students (OfS) acting as its Principal Regulator.

The University of Manchester has a duty to conduct its affairs in a responsible and transparent way, and to take into account the requirements of its regulators and the Higher Education Code of Governance published by the Committee of University Chairs (CUC). This includes compliance with the ongoing conditions of registration stipulated by the OfS. The University's corporate governance arrangements were established in such a way as to meet these responsibilities and to continue to comply with provisions in the First and Second Reports of the Committee on Standards in Public Life (the Nolan Principles). An updated CUC code was published in September 2020 and an analysis of the University's practice against the Code was considered as part of the most recent external review of governance effectiveness. In addition, the University corporately, through its arrangements for governance, is committed in a demonstrable way to the principles of academic freedom and equality of opportunity, which are embodied in its Charter and Statutes. As articulated in Charter and Statutes, the University takes reasonably practicable steps to ensure that freedom of speech within the law is secured. During 2023-24, and in preparation for the implementation

of the Higher Education (Freedom of Speech) Act (2023), the Board of Governors approved a revised Policy and Code of Practice on Freedom of Speech. Implementation of the Act was paused by the new Government in July 2024 and whilst further developments are awaited, the University continues to comply with the requirements of the Education (No.2) Act 1986, through its existing Code of Practice.

Details of the University's corporate governance arrangements are published on the University website: [www.staffnet.manchester.ac.uk/governance/what-we-do/governance-review](http://www.staffnet.manchester.ac.uk/governance/what-we-do/governance-review). Minutes of Board and Board committee meetings are available through the Governance section of the website.

The University is deemed a Public Interest Entity (PIE) by virtue of its listed Bond. The current obligations of being a PIE relate to more stringent processes around the appointment of external auditors, auditor rotation and exclusion from the auditor providing non-audit services, except in very narrow, tightly defined circumstances.

The most recent, independent review of the University's governance arrangements took place in 2021. The review was undertaken by the higher education specialists Halpin. This review was commissioned by the Board of Governors, in line with the University's framework of regular independent reviews (the previous review took place in 2017). The report concluded that the University's governance arrangements were good and effective with some areas of leading-edge practice. Resulting recommendations for improvement and enhancement have been implemented and the next external review is planned for 2025-26 (this will follow the review of the University strategy which will take place in 2024-25).

## The University's Corporate Governance Framework

The Charter and Statutes provide for and empower authoritative bodies within the University, each of which has

a distinct role to play in its structure of governance. The Board of Governors is the University's governing body and it carries the ultimate responsibility for the University's overall strategic direction and for its finances, property and affairs generally, including the employment arrangements for all staff. It is a specific role of the Board to satisfy itself that work being undertaken on its behalf, whether by committees or by officers, is consistent with corporate objectives and is within the bounds of accepted good practice. The Board meets formally at least six times in each academic year, with a maximum membership of 23 and a lay majority. The Chair of the Board of Governors, Ms Philippa Hird, is appointed by the Board of Governors from within the lay category of the membership. Ms Hird took up her role on 1 September 2022 to serve an initial three-year term. In August 2024, Ms Hird's re-appointment for a further three-year term from 1 September 2025 until 31 August 2028 was confirmed by the Board.

Five elected members of Senate, a member of Professional Services staff, one member of the Student Union and the President and Vice-Chancellor make up the rest of the Board. The Chair of the Board of Governors plays an important role in the governance of the University while working independently of its regular executive management. The Chair is supported by a Deputy Chair, Mrs Ann Barnes, who (as provided for in Statute) presides over meetings of the Board in the Chair's absence. The Board is aware of the requirement in the CUC Code to consider the benefits of appointing a Senior Independent Governor (SIG). The Board Nominations and Governance Committee has considered this matter. Given the similarities between the duties of a potential SIG and the Deputy Chair, the Committee recommended to the Board that a SIG not be appointed and that the role for the Deputy Chair be updated to include key SIG responsibilities. The Board agreed with this recommendation and approved amendments to the role of Deputy Chair to make it explicit that

the role does not imply succession to the Chair, confirming its independence. The current members of the Board of Governors are listed opposite the contents page.

Annual internal evaluations of overall Board effectiveness take place in years when external evaluation is not undertaken. Evaluation of individual member contributions and the performance of the Chair are conducted and reported to the Board with the most recent exercise reporting to the Board in October 2024.

The Senate is responsible to the Board for the promotion of research and for monitoring standards in teaching. Subject to the authority of the Board, it acts as the University's principal academic authority and in accordance with the Office for Students regulatory framework and public interest governance principles, the Board of Governors receives assurance from Senate that arrangements for institutional academic governance are effective.

The University's framework for academic governance and the provision of assurance from Senate to the Board of Governors was facilitated in the following ways in 2023-24:

- consideration of the Annual Academic Assurance Reviews for Research, and for Teaching, Learning and Students, which were recommended by Senate to Audit and Risk Committee, and the Board of Governors. Both reviews received final formal approval at the December 2023 joint meeting of the Board of Governors and Senate.
- the operation of the two Senate Academic Quality and Standards Committees for Teaching, Learning and Students, and Research.

In addition, the Board of Governors receives regular updates on academic governance-related matters through reports from the Senate, specific agenda items and briefings (including, for example regular updates from the Deans of Faculty and interdisciplinary research platforms).

Many of the statutory powers reserved to Senate are regulatory in nature and control the academic business of the University. Senate's membership of 100 comprises members from the following categories: ex-officio positions reserved for those with

academic management responsibilities centrally and in the faculties, and Heads of Schools; elected members (professorial and non-professorial) from across the three Faculties, who are elected to serve three-year terms and Chairs of School Boards; a small number of co-opted members; and the executive officers of the Students' Union.

The Board of Governors has established several Committees, each of which report into the Board: these include an Audit and Risk Committee, a Finance Committee, a Nominations and Governance Committee, a Remuneration Committee and a People Committee. The Board has also established processes which ensure that it is kept regularly advised on the strategic and policy elements of estates, people and organisational development, equality, diversity and inclusion, environmental sustainability and health and safety issues, and that it can act effectively and in an informed way with respect to these matters when it is required to do so.

In the context of institutional governance, the Audit and Risk Committee has a particularly important function in expressing opinions and giving assurances to the Board relating to its review of the effectiveness of the University's arrangements for risk management, control and governance. The risk management element of this role includes the review of the processes which lead to the statement on internal control in the financial statements. The Audit and Risk Committee has a co-opted independent member with specific external audit expertise to augment existing membership. Further detail on the role of the Audit and Risk Committee in relation to risk oversight and assurance, including oversight of the institutional Risk Register is set out below in the section headed, Statement of Internal Control.

As part of its remit, the Audit and Risk Committee oversees the work of internal audit including, whenever appropriate, seeking explicit confirmation to report to the Board that specific action plans are being implemented to remedy any significant failings or weaknesses identified from the review of the effectiveness of internal controls. In this context, the Strategic Risk Register is a significant driver of the internal audit programme

approved by the Audit and Risk Committee.

In the previous Corporate Governance Statement, reference was made to a cyber-attack in June 2023, resulting in exfiltration of data by a hostile third party. The Audit and Risk Committee and the Board of Governors continue to be kept informed of the University's response and management and mitigation of risk, which includes working with external agencies such as the National Cyber Security Centre and the Information Commissioner's Office.

The Audit and Risk Committee also receives regular reports on any cases raised under the University's Public Interest Disclosure (Whistleblowing) procedures, and on the University's data protection and cyber security work.

The Finance Committee is primarily responsible for oversight of the University's financial strategy and its financial viability as well as oversight of the financial performance of the University, its subsidiary companies, capital projects and investments. It considers and forwards to the Board the University's long-term financial plans, makes recommendations concerning borrowing, University budgets and the financial plans and forecasts provided to regulators.

The Nominations and Governance Committee remit recognises the continuing need to refresh membership of both the Board of Governors and the General Assembly (see below) – the Committee is chaired by the Chair of the Board and includes members from both the Board and General Assembly. The Committee endeavours to ensure a broad and complementary range of skills, expertise and experience across categories of lay membership reflecting the needs and aspirations of the University and thus ensuring good and effective institutional governance.

The Committee also works to ensure that lay membership of both the Board of Governors and the General Assembly are representative of the diversity of the University and of the communities served by it. The Committee oversees robust recruitment and appointment processes, to ensure that the Board is comprised of fit and proper persons. The Committee welcomes the expectations concerning equality, diversity and inclusion in the CUC

Code of Governance and appreciates that board diversity promotes more constructive and challenging dialogue. The Committee also reports to the Board on the overall efficacy of institutional governance.

The Remuneration Committee is responsible for setting the remuneration of the President and Vice-Chancellor and members of the Senior Leadership Team. It also approves the base salaries suggested by the Senior Salaries Review Group for senior academic-related staff and the Faculty Promotions Committee for senior professors. The Committee provides a comprehensive report of its activity to the Board of Governors, including its role, remit, and working methods as well as a summary of the decisions it has taken and the conclusions of the salary review undertaken for senior staff. In addition, the Board of Governors reviews and approves annually the remuneration framework within which the Committee operates. The Committee's consideration of the remuneration of the President and Vice-Chancellor and other relevant matters is enhanced with input from staff and student members of the Board of Governors.

The Remuneration Committee report for the year ended 31 July 2024 is on page 37.

The University is aware of the need to balance the challenging financial climate, the external perception of senior salaries and the University's ability to pay, with the need to recognise the contribution and performance of individuals and retain its best staff, and this informed the Committee's decision making over 2023-24. The University's approach to the requirements of the Office for Students Accounts Direction and the CUC Higher Education Senior Staff Remuneration Code is set out in the report from the Remuneration Committee referred to above.

The People Committee has a broad remit to consider staff, organisational development and related people issues (including equality, diversity and inclusion) and recommend and report to the Board of Governors on relevant matters. The Committee's remit also covers the requirement (as set out in Statute and Ordinance) to give full and proper consideration to any proposals to dismiss academic and academic-related staff on grounds of redundancy. For each

instance of proposed redundancy of academic and academic-related staff, appropriate information is provided to the People Committee to allow it to reach a reasoned assessment of the proposal and to consider alternative strategies for the resolution of the circumstances leading to the proposal. Its recommendations are then passed to the Board of Governors for approval.

The Planning and Resources Committee (PRC) is the key central executive management committee of the University. It is chaired by the President and Vice-Chancellor and includes in its membership the Vice-Presidents, the Registrar, Secretary and Chief Operating Officer, and the Chief Financial Officer, with representation from Senate, Directors of Professional Services and the Students' Union. PRC serves as the primary source of advice to the Board of Governors on matters relating to the development and allocation of the University's resources, on strategic planning issues and operational priorities, and on the financial, educational, research and social responsibility performance of the University against agreed goals and targets. Additionally, in consultation with other relevant committees, it develops, for approval by the Board, the University's annual planning, budgeting, performance evaluation and accountability cycle, annual revisions of the University's Strategic Plan and an annual University budget.

PRC sub committees cover the following areas: Finance and Capital Planning, People and Organisational Development, Strategic Change, Equality, Diversity and Inclusion, International, Interdisciplinary Research and Cultural Institutes. In addition, four compliance committees covering Health, Safety and Wellbeing, Research Compliance, Information Governance and Environmental Sustainability provide assurance to the Board, via reporting to PRC.

The General Assembly is the interface between the University and the wider community. It is a larger body than the Board (approximately 85 members), and in common with it, has a majority of lay members. Lay members are drawn from a wide range of local, regional and national interests, and together they offer the University a wealth of experience and expertise from differing perspectives. The main purpose of the General Assembly is to act as a

two-way channel of communication through which the University presents its achievements to its broader 'constituencies' and receives feedback and advice on matters relating to University business. It also includes lay Board members, University staff, alumni and students within its membership. The benefits of recent reforms to General Assembly including a smaller, less prescriptive membership and opportunities for engagement with members outside formal meetings continue to be realised.

The Alumni Association is the body of the University's graduates, which promotes fellowship among graduates while helping them to keep in touch with the University by providing opportunities to take an interest in its development and ongoing activities. The Association has representation on the governing body and on the General Assembly.

The members of the General Assembly and the Alumni Association, together with all paid University staff eligible to hold superannuable appointments, form the constituency for the election of the Chancellor, who is the ceremonial Head of the University, presiding over meetings of the General Assembly and over congregations of the University for the conferment of degrees. The role is currently held by Mr Nazir Afzal OBE, who took up the role in August 2022, and will serve a term of seven years.

The President and Vice-Chancellor (Professor Duncan Ivison) is the chief executive officer and the principal academic and administrative officer of the University. In fulfilling these functions, the President and Vice-Chancellor has overall responsibility for the executive management of the University and for its day-to-day direction, being accountable to the Board of Governors for the exercise of these responsibilities and (as the designated 'accountable officer') to the Office for Students for the use of the public funds the University receives. The previous President and Vice-Chancellor, Professor Dame Nancy Rothwell, stood down from the role of President and Vice-Chancellor on 31 July 2024.

As the chief executive officer of the University, the President and Vice-Chancellor leads the development of institutional policy and strategy, the identification and planning of new developments and the shaping

of institutional ethos. The Deputy President and Deputy Vice-Chancellor (Professor Luke Georghiou), the Vice-Presidents, the Registrar, Secretary and Chief Operating Officer (Mr Patrick Hackett), the Chief Financial Officer and the Executive Director of People and Organisational Development contribute in various ways to this work, collectively acting as the University's Senior Leadership Team, but the ultimate executive responsibility rests with the President and Vice-Chancellor.

The role of the University's Professional Services (PS) is to work in partnership with academic colleagues to deliver the primary institutional objectives (teaching and the student experience, research, and social responsibility), to oversee the discharge of the University's statutory and regulatory responsibilities and to implement the policy decisions of Senate and the Board. Through the provision of specialist expertise, it also contributes to and advises on the formulation of University policy. The Head of the unitary Professional Services is the Registrar, Secretary and Chief Operating Officer, who is also clerk to the governing body and responsible for the provision of secretariat support to the governing body, its committees, the General Assembly and Senate.

The University maintains a Register of Interests of members of the Board of Governors and for members of the Senior Leadership Team, which may be consulted by arrangement with the Registrar, Secretary and Chief Operating Officer. Registers of interest for all staff at Grade 6 and above are also maintained. Members of the Board and of its Committees receive a reminder in the papers for each meeting of the need to declare any interest they may have in relation to the specific business to be transacted. In addition, building on existing internal and external regulation and guidance, the Board has adopted a Conflicts of Interests Policy.

## Statement of Internal Control

This Statement of Internal Control relates to the financial year ended 31 July 2024 and is current until the date of approval of the audited financial statements. The duties conferred upon the Board of Governors by the University's Charter and Statutes require it to institute and maintain a sound system of internal control.

This is designed to support the achievement by the University of its aims and objectives and, at the same time, safeguard public and other funds and assets for which the University is responsible. In that context, the Board is satisfied that the University complies with those provisions of the CUC Code on the financial aspects of corporate governance that are applicable in a higher education institution and OfS advice on requirements for corporate governance and internal control.

The Audit and Risk Committee, on behalf of the Board, provides oversight and monitoring of the system of internal control. The Board receives regular reports, at each meeting, from the Audit and Risk Committee on the steps being taken to manage risks across the University. The Audit and Risk Committee also receives regular reports from the internal auditors (the Universities Internal Audit Consortium, Uniac), which include the internal auditors' independent opinion on the adequacy and effectiveness of the University's system of internal control, together with any recommendations for improvement. The University's approach is risk based, derived from an evaluation of the likelihood and impact of risks. Specific risks considered by the Audit and Risk Committee in the period covered by this Corporate Governance Statement and Statement of Internal Control are highlighted in the section below relating to the work of the Audit and Risk Committee. The external and internal auditors have not identified any significant deficiencies in internal control during the course of their audit work for the year ended 31 July 2024.

The Board of Governors, both directly and through its Finance and Audit and Risk Committees, is responsible for financial control, i.e. ensuring the economical, efficient and effective management of the University's resources and expenditure, and for safeguarding its assets, including specific responsibility for the oversight of systems that prevent and detect fraud, bribery and other irregularities. It must ensure that the University uses public funds only for the purposes for which they were provided. It is supported in this work through the external auditors, PKF Littlejohn LLP, and the University's internal auditors, Uniac, the work of both being overseen by the Audit and Risk Committee.

The system of internal financial control

provides for comprehensive financial planning processes, developing, monitoring and updating budgets for annual income, expenditure, capital and cash flow budgets. Regular reporting against budget takes place, in conjunction with the monthly review of financial results, regular re-forecasting and the reporting and explanation of variances.

The University sets out policies, processes and practices underpinning financial control in its Financial Regulations. The Regulations are approved by the Board and apply to the University and all its related undertakings, and cover all funds passing through University accounts. They encompass the University's processes to investigate fraud, bribery and other financial irregularities, budgeting and forecasting, the treatment of year-end balances and capital expenditure programmes and general issues regarding the accounts and accounting returns of the University.

The University of Manchester no longer meets the criteria of a 'body governed by public law' and is therefore not currently considered a contracting authority for the purposes of the Public Contracts Regulations 2015 and / or any replacement legislation. As a result, the University of Manchester will no longer be subject to the regime contained in The Public Contracts Regulations 2015 and / or any replacement legislation: this applied with effect from 1 August 2023 until further notice.

The University strives to apply value for money considerations to all its processes and activities, and this is supported by strong awareness and vigilance across the senior leadership team. The Audit and Risk Committee receives an Annual Report on the University's efforts to secure value for money in relation to procurement. The Audit and Risk Committee also receives a comprehensive report on the Transparent Approach to Costing (TRAC) analysis undertaken by the University. In addition, every internal audit review undertaken and submitted to the Audit and Risk Committee makes specific observations and judgements concerning the value for money demonstrated. The University publishes a summary of its finances, including an analysis of how the £9,250 tuition fee is spent.

The University's Health, Safety and Wellbeing (HSW) Committee provides assurance to the Board of Governors on how the University is undertaking its duties regarding effective planning, ongoing control, monitoring and review of the health, safety and wellbeing management procedures. The HSW Committee monitors compliance and implementation of health, safety and wellbeing policies and action plans and recommends any action necessary to improve performance. The HSW Committee provides quarterly reports to the Audit and Risk Committee and the annual HSW report is recommended for approval by the Audit and Risk Committee to the Board. In 2023-24, Uniac conducted an internal audit of health and safety arrangements. This noted that governance structures, processes and relevant policy were well developed and sound, although there were some issues relating to consistency and accountability across the institution. HSW Committee is leading on appropriate response and mitigating action.

The Board of Governors has overall responsibility for the oversight of risk management within the University. The Risk Management framework includes a risk policy, risk registers and maps (at Faculty, PS and University level), and identifies primary risk owners. It is supported by a comprehensive assurance process, which reports through to the Audit and Risk Committee, on behalf of the Board of Governors.

The risk management objectives of the University outlined below are based on an overarching policy to adopt best practice in the identification, evaluation and cost-effective control of risks in order that the risks associated with the University's strategy are managed down to an acceptable level. This risk policy includes the following key actions:

- the integration of risk awareness into the culture of the University ensuring that risk assessment is embedded in ongoing operations;
- the management of risk in accordance with best practice;
- the anticipation and appropriate response to risks emerging/ associated with changing social, environmental and legislation requirements; and

- the reduction of the costs of risk by taking appropriate steps to mitigate injury and damage to individuals and assets of the University.

The Audit and Risk Committee has overseen the development of the Risk Management framework and receives regular reports and information on assurances as to the efficacy of the framework (the internal auditors, Uniac conduct a regular audit) and this is reported to the Board of Governors. The Board, through the Audit and Risk Committee, PRC, and/ or where appropriate through other ad-hoc groups, working to a common framework, evaluates the risks inherent in all major plans and proposals, including significant projects.

This includes evaluation and review of business, operational, compliance and financial risks. The University has also taken additional measures to support the risk management process. The Director of Compliance and Risk provides direct advice to senior officers of the University and to the Board of Governors, on behalf of the President and Vice-Chancellor. The Director of Compliance and Risk and the Vice-President for Social Responsibility oversee the adoption and dissemination, on a continual basis, of risk awareness/management training and the preparation of contingency plans in areas where there is a potential for an occurrence having a deleterious effect on the University and its business capability. In order to increase the University's resilience, it has a specialist cyber-risk adviser to Audit and Risk Committee, a Chief Information Security Officer and a Risk Manager (Resilience) in post to support business continuity and emergency response processes.

Following the review of the format of the Risk Register in 2022-23, (ranking risks by the "delta" between total risk score and target risk score, with previous and required future trajectories mapped) the Committee carried out a deep dive into the risk of failure of the University's Operating Model. The Committee confirmed that the analysis of risks to the Operating Model (i.e. global reputation, compliance, geopolitical, condition and security of infrastructure, zero carbon, cost base and ability to respond to disruptive change) was comprehensive, and during 2024-25, the Committee will oversee the development of a risk

appetite framework: the timetable for this will align with the review of strategy which will be led by the new President and Vice-Chancellor. The Committee has continued to oversee risks related to the delivery of the University's strategic change portfolio.



Watercolour of the Samuel Alexander Building, exhibited at the Royal Academy in 1913.



Taxidermist Harry Brazenor installing whale skeleton, 1898



The excavation of the boulder that sits outside the Beyer Building

# The University of Manchester public benefit statement and impact

## Impact in Teaching, Learning and Student Experience

The University of Manchester is committed to excellence in teaching, learning and broader student experiences. We aim to attract all students who can benefit from a Manchester education, regardless of their background, to study with us – and to go out afterwards to contribute to society and to achieve success and happiness in their careers.

According to the national Teaching Excellence Framework (TEF) 2023, we're doing pretty well. In September 2023 we were delighted to be awarded TEF Silver overall, with Silver for Student Experience, and Gold for Student Outcomes. While we know we have work to do in improving aspects of our student experience (especially in assessment and feedback and student voice), our Gold rating for Student Outcomes is something we can all be proud of. It shows that students stay the course after their first year; achieve good degrees; and have a highly effective springboard into excellent careers.

One of the best aspects of preparing that TEF submission was working with our Students' Union (UMSU). Every year our Teaching, Learning and Students teams are privileged to work closely with an exceptional group of Student Union Officers, who developed an independent TEF Student Submission alongside Students' Union staff. This is just one part of the extraordinary range of work UMSU does every year with and on behalf of our students. Their research projects in 2023-24 involved speaking to over 18,000 students (exponentially up from the 6,040 who were involved in 2018-19). Over 15,000 students voted in at least one SU election over the past year; and the SU has elected, trained and supported 1,649 course reps. A new student representation policy means there are no gaps in representation across the University for the first time – with students now being able to put

themselves forward to be reps and to access training without taking part in elections, which can be daunting for new arrivals and for students from particular backgrounds. The SU is a greatly appreciated and expert source of advice, handling over 18,000 enquiries and 3,107 cases in the past year; and memberships of their 482 student societies have continued to rise to 22,951, meaning that nearly 1 in 2 of our students is engaged in at least one student group. This is above pre-pandemic levels, providing important evidence that students are re-engaging with social and co-curricular opportunities that support their sense of belonging and build confidence.

As reported last year, the University and the Students' Union also cooperated closely on supporting students through the cost of living crisis. While inflation has reduced, pressures on student finances have not; and we continue to work towards providing additional, tailored financial support for our students. While the University does provide considerable funding from our own resources, many donors, alumni and friends are also keen to help, notably through our new Manchester Access and Success Fund (MASF) which is an important part of the University's new fundraising and volunteering Campaign. This year, MASF has supported students to join societies and buy sports kit which they could not otherwise have afforded; and to take part fully in graduation, where expenses for photography, gown hire and guest attendance can mount up. We have also seen a range of extremely generous donations intended to enable care leavers and care experienced students to come to Manchester and thrive when they are with us, including the Sadler Bursaries [www.manchester.ac.uk/about/news/15m-gift-from-simon-sadler](http://www.manchester.ac.uk/about/news/15m-gift-from-simon-sadler).

Financial and other assistance for underrepresented student groups is crucial to our Access and Participation Plan (APP), submitted to the Office for Students in May 2024. The plan outlines six objectives to address key

risks in equality of opportunity for access, success, and progression. We aim to enable successful transitions into Higher Education, address access barriers, boost confidence, and provide tailored support through mentorship, transparent guidance, and collaboration with schools, colleges, charities, and the wider Greater Manchester community. Our approach includes initiatives to improve attainment, leverage data and technology, and ensure inclusive environments where all students feel connected and succeed. This includes creating comfortable spaces for commuting students and analysing student demographics like ethnicity and gender to ensure fair support for everyone. Feedback on the plan is expected in the coming months.

In collaboration with our students, we have been continuing the significant task of re-writing all our policies around assessment and feedback. We are both 'translating' these into language that is still clear, but much more student-facing and friendly; and ensuring we are doing assessment in the right way and as a crucial part of student learning. We were pleased to have Senate's agreement that University of Manchester assessment should follow the core principles of being inclusive, relevant and trustworthy.

Finally, enhancing our teaching and learning depends on supporting our excellent teachers and teaching leaders. We are delighted to have been successfully reaccredited by AdvanceHE to deliver and assess Fellowships at every level from Associate Fellow to Principal Fellow, a major success for our Institute for Teaching and Learning. And we are currently celebrating the announcement of a new National Teaching Fellowship (NTF) for Dr Minjie Xing, Senior Language Tutor in the School of Arts, Languages and Cultures; and for the second consecutive year, a CATE (Collaborative Award for Teaching Excellence), this time for the University of Manchester Library Student Team [www.staffnet.manchester.ac.uk/library/news/display/?id=31891](http://www.staffnet.manchester.ac.uk/library/news/display/?id=31891)). These awards are

extremely competitive, with only 55 NTFs and 17 CATEs this year for the whole sector, so this is excellent news. It also means that Jennie Blake, Head of Teaching and Learning Development for the Library and Academic Lead for Student Success, is the University's first 'triple crown' awardee, with a National Teaching Fellowship, a CATE award and a Principal Fellowship of the HEA. Well done, Jennie!

With plans and progress already advancing on a range of projects for 2024-25, we expect to provide updates next year on:

- Improvements in our package of financial support for students;
- Supporting staff and students through technological innovation, including our new Central Learning Environment and Engagement Analytics;
- Progress on the Residences Project;
- Our Student Mental Health Charter application and action plan.

## Research impact

The University is committed to using our research expertise and pioneering spirit to deliver solutions to the world's biggest problems and transform lives. The research beacons ([www.manchester.ac.uk/research/beacons](http://www.manchester.ac.uk/research/beacons)), platforms ([www.manchester.ac.uk/research/structure/platforms](http://www.manchester.ac.uk/research/structure/platforms)) and institutes ([www.manchester.ac.uk/research/structure/institutes](http://www.manchester.ac.uk/research/structure/institutes)) collectively enhance our research impact, drive innovation, address societal challenges, and foster collaboration across disciplines and industries.

October 2024 marked the 20th year since the isolation of graphene. Our experts' work in this area has been highlighted at the Graphene Industry Showcase and at The Cockcroft Ruthford lecture with Professor Sir Andre Geim ([www.manchester.ac.uk/about/news/immersive-event-showcases-graphenemanchesters-capabilities-to-industry](http://www.manchester.ac.uk/about/news/immersive-event-showcases-graphenemanchesters-capabilities-to-industry)). Our researchers continue to make progress in solving real-world problems, for example, by creating the world's purest silicon, which is crucial for advancing quantum computing.

In the area of biotechnology, our researchers have received funding to advance knowledge on applying engineering biology to improve

healthcare and the environment. The launch of the Industrial Biotechnology Innovation Catalyst ([www.mib.manchester.ac.uk/ib-innovation-catalyst](http://www.mib.manchester.ac.uk/ib-innovation-catalyst)) will support translating fundamental biotechnology research from the lab to the real world.

The One in Two cancer research podcast ([www.manchester.ac.uk/research/beacons/cancer/one-in-two-podcast](http://www.manchester.ac.uk/research/beacons/cancer/one-in-two-podcast)), which has a global audience, demonstrates how our outstanding cancer researchers are helping to level-up access to cancer prevention, detection and treatment across the globe. A new state of the art National Biomarker Centre ([www.manchester.ac.uk/about/news/cancer-research-uk-national-biomarker-centre-opens](http://www.manchester.ac.uk/about/news/cancer-research-uk-national-biomarker-centre-opens)) will help experts detect cancer at an earlier stage.

Energy researchers are working to resolve current challenges; developing solutions that can deliver rapid reductions in carbon emissions and exploring how new technologies, from nuclear fusion to biologically produced hydrogen, could change the way we produce and use energy forever.

Addressing global inequalities remains a focus with our research efforts aimed at understanding and mitigating social disparities. This interdisciplinary work spans areas of health, education, and economic development, aiming to create more equitable societies locally and worldwide.

Our research platforms have connected and amplified collaborations across the University contributing to research, impact and engagement locally and beyond.

Creative Manchester are working with colleagues across Greater Manchester as part of the UK's first Centre of Excellence for Music and Dementia ([www.manchester.ac.uk/about/news/uks-first-centre-of-excellence-for-music-and-dementia-hosted-by-manchester-camerata](http://www.manchester.ac.uk/about/news/uks-first-centre-of-excellence-for-music-and-dementia-hosted-by-manchester-camerata)).

Digital Futures has been developing new industry relationships with NVIDIA and Epic Games, exploring potential research collaborations in the areas of air pollution monitoring, transport network planning and virtual (in silico) clinical trials.

Healthier Futures has received investment from the University to use interdisciplinary research and

stakeholder engagement and outreach to better understand the root causes of health inequalities and how to reduce them.

Our Sustainable Futures platform has contributed significantly to the University being awarded accreditation status by the United Nations Environment Programme (UNEP) ([www.unep.org](http://www.unep.org)), one of only twenty universities worldwide to receive this accolade.

As part of the Bicentenary Festival ([universallymanchester.com](http://universallymanchester.com)), our research platforms unveiled The Art of Research, pieces of street art inspired by research from across the University.

Engagement with policymakers locally and nationally takes place through Policy@Manchester and the Greater Manchester Policy Hub ([www.policy.manchester.ac.uk/gm-policy-hub](http://www.policy.manchester.ac.uk/gm-policy-hub)). In the last year our researchers have contributed to policy discussions on a wide range of issues including health, poverty, sustainable communities and transport.

## Research Exploitation

Collaboration with business and other partners to develop innovations and the exploitation of our intellectual property (IP) form a fundamental part of our research impact. Our work during 2023/24 has helped develop valuable new products and services, which have been commercialised nationally and internationally by our partners and through the formation of spin-out companies creating jobs and growth, principally in our region.

Forging diverse, mutually beneficial, long-standing partnerships with business remains a core priority. Our Business Engagement and Knowledge Exchange team (BEKE) supported 154 new awards with industry totalling £37.6m (↑58%). The latest HESA industry research income data ([www.hesa.ac.uk/data-and-analysis/finances/income](http://www.hesa.ac.uk/data-and-analysis/finances/income)) ranks us 6th nationally with £25.4m from industry (↑14% and 3 places).

We have significantly developed our support for SMEs, establishing our first SME strategic partnership, and are proudly ranked 2nd in the UK for SME contract research ([www.hesa.ac.uk/data-and-analysis/business-community/services](http://www.hesa.ac.uk/data-and-analysis/business-community/services)). A Manchester-based SME that accessed support through the Graphene Engineering

Innovation Centre's Bridging the Gap project said:

*"It (the R&D underpinning product development) just wouldn't have happened. It couldn't, we didn't have the background knowledge, the materials knowledge of where to source the materials, or of the different techniques that were available" - BEP Surface Technologies Ltd.*

The University remains a sector leader in Knowledge Transfer Partnerships (KTPs) securing 6 new awards during 2023/24 bringing the total portfolio to 22 projects and £6.2m. Our competitively awarded Impact Acceleration Account (£15.6m), one of the largest and most diverse in the UK, has been used to nurture new partnerships, drive application, impact and support innovation.

We have continued to grow and strengthen our institutional strategic business partnerships and now boast one of the largest and diverse portfolios in our peer group, with 22 strategic partners. Renewal of the Wallgreen Boots ([www.manchester.ac.uk/about/news/university-of-manchester-boots-and-no7-beauty-company-renew-20-year-partnership-to-supercharge-skin-science-advancements](http://www.manchester.ac.uk/about/news/university-of-manchester-boots-and-no7-beauty-company-renew-20-year-partnership-to-supercharge-skin-science-advancements)) Alliance 20-year multi-million-pound partnership supporting a key national skincare business; and securing new partnerships with Tata Steel, in partnership with the Royce Institute and Siemens Energy were notable highlights this year ([kef.ac.uk/dashboard](http://kef.ac.uk/dashboard)).

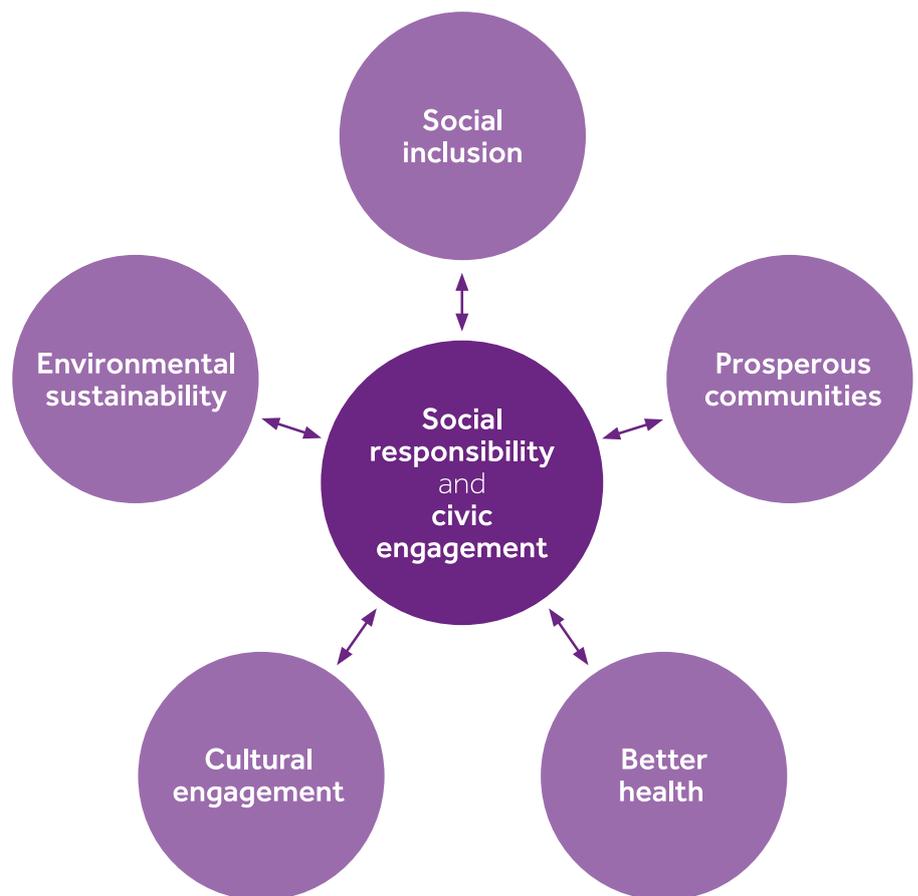
The University of Manchester Innovation Factory Ltd., a wholly owned subsidiary responsible for the commercialisation of IP, launched 7 new deep-tech and life science spinout companies in 2023/24. A total of £9.2m of first-time and £66.5m of follow-on investment was secured in spinout companies, and £2.3m of licensing income was generated from IP developed at and owned by the University providing innovative solutions to health and other societal challenges. We maintained our sector leading position for IP and Commercialisation in the KEF.

The University continues to attract important infrastructural investment to the region. Following the announcement of a Greater Manchester Investment Zone, we received £5m to run a deep tech

accelerator programme and our £1.7bn joint venture with Bruntwood SciTech (BST), ID Manchester (trading as Sister), also received £15m to fund infrastructure. This Investment Zone focusses on advanced materials and manufacturing and will build on our longer-term ambitions to be able to scale deploy innovations in our growth businesses, e.g. through Atom Valley. The site of UK Biobank's new £75m headquarters at Manchester Science Park was officially marked for construction in 2024. The site will be located alongside fast-growth life science businesses, and it is supported by a £127.6m award from the UK Research and Innovation Infrastructure Fund.

## Social Responsibility and Civic Engagement

The University of Manchester is unique in UK higher education in having social responsibility as a core goal. Significant progress has been made in all five areas of our Social Responsibility and Civic Engagement Plan: Social Inclusion, Prosperous communities, Better health, Cultural engagement and Environmental sustainability. This plan is underpinned by a focus on People, Partnerships, Processes and Performance. These are just a small number of highlights achieved over the period.



## Social inclusion

We were awarded a prestigious Silver Charter Mark for our work to advance race equality. We gained Disability Confident Leader status from the Business Disability Forum. And all nine Schools in the University hold Athena Swan Awards for gender equality – five at Silver and four at Bronze level. More than 400 students from Ethiopia, Malawi, Rwanda, Tanzania, Uganda and Zimbabwe have now benefited from our longstanding Equity and Merit Scholarship awards, where talented Master's graduates use their Manchester education to make a significant contribution to sustainable development in their home nations. We received a transformational £1.5 million gift ([www.socialresponsibility.manchester.ac.uk/all-news/1-5-million-gift-from-simon-sadler-enables-provision-of-a-new-bursary-for-care-leavers](http://www.socialresponsibility.manchester.ac.uk/all-news/1-5-million-gift-from-simon-sadler-enables-provision-of-a-new-bursary-for-care-leavers)) from British businessman and University of Manchester alumnus Simon Sadler to launch a new bursary for students leaving care. And our Great Science Share for Schools (GSSfS) initiative, a pioneering campaign dedicated to fostering scientific curiosity and education among young learners, engaged a record 658,675 young people across 40 countries. It was also granted the prestigious patronage of the United Kingdom National Commission for UNESCO ([www.socialresponsibility.manchester.ac.uk/all-news/a-milestone-in-science-education](http://www.socialresponsibility.manchester.ac.uk/all-news/a-milestone-in-science-education)).

[www.socialresponsibility.manchester.ac.uk/all-news/1-5-million-gift-from-simon-sadler-enables-provision-of-a-new-bursary-for-care-leavers](http://www.socialresponsibility.manchester.ac.uk/all-news/1-5-million-gift-from-simon-sadler-enables-provision-of-a-new-bursary-for-care-leavers)) from British businessman and University of Manchester alumnus Simon Sadler to launch a new bursary for students leaving care. And our Great Science Share for Schools (GSSfS) initiative, a pioneering campaign dedicated to fostering scientific curiosity and education among young learners, engaged a record 658,675 young people across 40 countries. It was also granted the prestigious patronage of the United Kingdom National Commission for UNESCO ([www.socialresponsibility.manchester.ac.uk/all-news/a-milestone-in-science-education](http://www.socialresponsibility.manchester.ac.uk/all-news/a-milestone-in-science-education)).

## Prosperous communities

Following public consultation ([www.manchester.ac.uk/discover/news/public-consultation-launches-for-new-17bn-innovation-district-id-manchester](http://www.manchester.ac.uk/discover/news/public-consultation-launches-for-new-17bn-innovation-district-id-manchester)) Bruntwood SciTech and the University of Manchester published a Strategic Regeneration Framework for the ID Manchester (trading as Sister) site to set out the scale, ambition and opportunities this new innovation district will bring to the city and beyond.

We achieved the maximum possible rating of 'very high engagement' for intellectual property and commercialisation in the government's Knowledge Exchange Framework. Our Masood Entrepreneurship Centre (MEC) awarded funds to a number of social and environmental start-ups at the annual Venture Further Awards. And significant progress was made on our four Greater Manchester Innovation Accelerator projects ([www.socialresponsibility.manchester.ac.uk/all-news/major-government-funding-for-greater-manchester-innovation-in-materials-health-and-ai](http://www.socialresponsibility.manchester.ac.uk/all-news/major-government-funding-for-greater-manchester-innovation-in-materials-health-and-ai)) – The Manchester Turing Innovation Hub, The Greater Manchester Advanced Diagnostics Accelerator, the Development and Validation of Technology for Time Critical Genomic Testing (DEVOTE) programme and The Sustainable Materials Translational Research Centre. These are taking the research in our University and translating that into good jobs, inclusive economic growth, and better health outcomes for citizens across the whole of Greater Manchester.



Great Science Share for Schools

## Better health

We entered into a tripartite agreement with local universities and county governments in the Western region of Kenya to build six new healthcare campuses. This has involved licensing University of Manchester programmes, staff development and technical advice in medicine, dentistry, pharmacy and nursing. Five new *One in Two* podcasts were released across all major listening platforms to engage people around the world with our cancer research and clinical innovations. New student-led health clinics were developed on campus as part of a drive to embed social responsibility into Pharmacy teaching and learning at The University of Manchester. And co-produced research from our Lydia Becker Institute in partnership with the local Ardwick community on levels of clean



ID Manchester (trading as Sister)

air led to the development of a new Green Route initiative so that local people could avoid the worst exposure to toxic pollutants.

### Cultural engagement

Our University cultural institutions have worked to advance our core goals through their world-leading collections and engagement. The Whitworth won the Creative Community category in this year's Spirit of Manchester awards for their original project, *Still Parents: Life After Baby Loss*. They also became the first gallery in the North-West of England to achieve Gallery of Sanctuary status ([www.socialresponsibility.manchester.ac.uk/all-news/the-whitworth-is-awarded-gallery-of-sanctuary-status](http://www.socialresponsibility.manchester.ac.uk/all-news/the-whitworth-is-awarded-gallery-of-sanctuary-status)), pledging to welcome people from a forced displacement background. Our Manchester Museum was proud to host a delegation for the unconditional return of 174 cultural heritage items to the Aboriginal Anindilyakwa community, helping to create a more socially responsible future for our museum based on inclusivity, imagination, and care. They were also unveiled as one of five finalists for Art Fund Museum of the Year 2024, the world's largest museum prize ([www.socialresponsibility.manchester.ac.uk/all-news/manchester-museum-announced-as-finalist-for-museum-of-the-year-awards-2024](http://www.socialresponsibility.manchester.ac.uk/all-news/manchester-museum-announced-as-finalist-for-museum-of-the-year-awards-2024)). Her Royal Highness The Princess Royal visited Jodrell Bank to mark the occasion of Jodrell Bank Observatory being awarded UNESCO World Heritage Status ([www.manchester.ac.uk/about/news/jodrell-bank-welcomes-her-royal-highness-the-princess-royal-in-celebration-of-unesco-world-heritage-status](http://www.manchester.ac.uk/about/news/jodrell-bank-welcomes-her-royal-highness-the-princess-royal-in-celebration-of-unesco-world-heritage-status)). And our John Rylands Research Institute and Library opened the 'We have always been here' exhibition to explore stories of identity in its collections, especially those from its Ahmed Iqbal Ullah RACE Centre.

Our Creative Manchester platform worked with local partners as part of Manchester City of Literature's Festival of Libraries, highlighting the work of our Centre for New Writing, Linguistic Diversity Collective and programmes in American Studies. Ten podcasts were released as part of our bicentenary Talk 200 series ([www.manchester.ac.uk/discover/bicentenary/talk-200](http://www.manchester.ac.uk/discover/bicentenary/talk-200)), including contributions from Professor Chris Whitty, Chancellor Nazir Afzal OBE and author Andy Spinoza. And



The launch of the new 'Green Routes' initiative in partnership with communities in Ardwick



Universally Manchester Festival 2024



Making a Difference Awards

Universally Manchester – a four-day festival to celebrate our bicentenary year – saw thousands of people engage with 150 activities across 4 days in June to mark our 200th anniversary.

### Environmental sustainability

We signed a landmark deal for 65% of our electricity demand being met through a brand-new 104,000 panel solar farm ([www.socialresponsibility.manchester.ac.uk/all-news/104000-panel-solar-farm-set-to-power-the-university-of-manchester](http://www.socialresponsibility.manchester.ac.uk/all-news/104000-panel-solar-farm-set-to-power-the-university-of-manchester)). This decade-long Corporate Power Purchase Agreement (cPPA) will reduce our carbon emissions by 12,000 t/co2 every year – enough to power 21,000 homes. We won the 2030 Climate Action prize at the prestigious UK and Ireland Green Gown Awards ([www.staffnet.manchester.ac.uk/bmh/about-fbmh/news-and-events/news/display/?id=30677](http://www.staffnet.manchester.ac.uk/bmh/about-fbmh/news-and-events/news/display/?id=30677)) in recognition of our “forward-looking and innovative” work to decarbonise our University’s operations. And our Geography laboratories were certified as operating to a Gold standard in the Laboratory Efficiency Assessment Framework (LEAF).

We have been engaging staff and students to monitor wildlife on campus through use of iNaturalist, a free, easy to use app. We delivered a new Sustainability Careers Week to help students explore roles in environment and sustainability sectors. And our

campus was brought alive with over 46 events as part of Sustainability Action Month ([www.socialresponsibility.manchester.ac.uk/all-news/sustainability-action-month-a-month-of-impact-and-inspiration](http://www.socialresponsibility.manchester.ac.uk/all-news/sustainability-action-month-a-month-of-impact-and-inspiration)).

### People, Partnerships and Processes.

Underpinning our five social responsibility and civic engagement priorities are a focus on people, partnerships and processes. We worked with the National Co-ordinating Centre for Public Engagement (NCCPE) on a 12-month independent review of our commitment to public engagement ([www.socialresponsibility.manchester.ac.uk/all-news/university-of-manchester-wins-platinum-engage-watermark-for-excellence-in-public-engagement](http://www.socialresponsibility.manchester.ac.uk/all-news/university-of-manchester-wins-platinum-engage-watermark-for-excellence-in-public-engagement)). This led to the highest possible Platinum Watermark status ([www.publicengagement.ac.uk/engage-watermark](http://www.publicengagement.ac.uk/engage-watermark)) – one of only two universities to achieve this status. We worked with our regional Civic University Board partners to lead a Greater Manchester Citizens’ Panel, encouraging citizen voice to be reflected in the priorities of our region’s universities. Our Civic University Board have also progressed partnerships with our Further Education Colleges, supported the development of the Greater Manchester Student Assembly and worked on a programme mapping

our green skills provision.

We were proud to play a lead role in Manchester becoming a UNESCO City of Lifelong Learning in recognition of outstanding efforts to make lifelong learning a reality across our city region. We delivered our 10th annual Making a Difference Awards ([www.socialresponsibility.manchester.ac.uk/all-news/making-a-difference-awards-2024-winners-and-highly-commended](http://www.socialresponsibility.manchester.ac.uk/all-news/making-a-difference-awards-2024-winners-and-highly-commended)) to celebrate the inspiring social responsibility achievements of our staff, students, alumni and external partners. And hundreds of student projects were profiled as part of national Student Volunteering Week and outstanding individuals recognized at our prestigious annual Volunteer of the Year awards.

### Performance

We have two key measures of success for social responsibility and civic engagement.

**Measure 1:** *Top quintile in the government’s Knowledge Exchange Framework (KEF) for Public and Community Engagement.* We currently perform in the highest quintile, helped in large part by our Platinum Watermark status for public engagement.

**Measure 2:** *Top 2% of universities globally in the Times Higher Education University Impact Rankings.* Out of a record 2,152 universities from 125 countries, Manchester was ranked first

The University of Manchester

# TOP TEN IN THE WORLD FOR SIX YEARS RUNNING



<b>3rd</b>	<b>8th</b>	<b>1st</b>	<b>9th</b>	<b>2nd</b>	<b>2nd</b>
2019	2020	2021	2022	2023	2024



World ranking

in the UK, first in Europe and second in the world performance towards the United Nations' 17 Sustainable Development Goals (SDGs), easily falling within the target to be in the top 2% of universities globally. We are the only university in the world to be top-10 ranked in every year since their inception in 2019. In addition to this, we received news that, in a newer QS Sustainability ranking based on performance on Environmental, Social and Governance (ESG) measures, we were also placed first in the UK, first in Europe and third in the world.



Novelist Anthony Burgess studied English at the University.



Dame Christabel Pankhurst, graduated in law when it was illegal for women to practise.



Sir Arthur Lewis, Britain's first Black professor, (1979 Nobel Prize for Economics).

# Trade union statement

## The Trade Union (Facility Time Publication Requirements) Regulations 2017

1 April 2023 to 31 March 2024

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time annually and the table of data for the reporting period 1 April 2023 to 31 March 2024 is as follows;

### Table 1 - Relevant union officials

Number of employees who were relevant union officials during the relevant period	45
Full-time equivalent employee number	43.4 FTE

### Table 2 - Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1-50%	41
51%-99%	0
100%	4

### Table 3 - Percentage of pay bill spent on facility time

Total cost of facility time	£438,797
Total pay bill	£673,683,394
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.07%

### Table 4 - Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:  (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	8.44%
--	-------



Original plans for the Christie Library included a bridge linking it to the John Owens Building.



Graduation day, 1950

# Remuneration Committee report

for the year to 31 July 2024

## The membership of the Committee is:

Mr Gary Buxton (Chair)  
Ms Philippa Hird  
Ms Caroline Johnstone  
Mr Nick Hillman

A staff member and a student member of the Board of Governors attend the meeting relating to the salary review of the President and Vice-Chancellor and for the items covering the University's Equal Pay Audit Report and Gender, Ethnicity and Disability Pay Gap Reports.

Secretary to the Committee:  
Registrar, Secretary and Chief Operating Officer (RSCOO)

In attendance:

The Director of People & Organisational Development (November 2023)/

The interim Executive Director of People and Organisational Development (April 2024)

The President and Vice-Chancellor (not present at the separate meeting to determine her salary, or the meeting that determined the salary of her successor)

The Head of People and Organisational Operations and Reward

The Committee ensures that remuneration arrangements for 2023/2024 were operated in line with the policy set out above as directed by the Board of Governors, taking account of the University's finances and in line with the requirements of the Office for Students (OfS) and the Committee of University Chairs (CUC) Code for Higher Education Senior Staff.

## The Committee's principal matters of business are:

- (i) To consider and determine, on behalf of the Board of Governors, the remuneration arrangements for certain senior officers of the University (including the President and Vice-Chancellor, the Registrar, Secretary and Chief Operating Officer, Vice-Presidents and Deans, and Policy Vice-Presidents).

- (ii) To delegate to an appropriately constituted Senior Salaries Review Group (or Groups) the task of making recommendations on the remuneration of professorial and equivalent senior administrative staff not covered in '1' above and to scrutinise such recommendations as appropriate for consistency and fairness.
- (iii) To consider policies and procedures on the remuneration of senior staff, to recommend them to the Board of Governors and to oversee their implementation within the University.
- (iv) To provide assurance to the Board of Governors that the University is adhering to guidance on senior pay as directed by the OfS and the CUC Higher Education Senior Staff Remuneration Code.

The Director of People and Organisational Development is adviser to the Committee which can, if it wishes, call upon external advisers as appropriate. The Director left the University in February 2024, and for the April 2024 meeting was replaced by the Interim Executive Director of People and Organisational Development.

This report provides a summary of the Committee's work over the year and fully meets the requirements of the CUC Higher Education Senior Staff Remuneration Code. The University will follow the regulatory guidance on preparing and publishing financial statements as provided by the OfS on the disclosure of senior pay in its published accounts.

## Role and Remit

The role and remit was reviewed and no amendments were made.

## To assist it in these tasks, the Committee received:

- insights relating to the salary increases determined by the Senior Salaries Review Group in respect of Professional Services colleagues within Grade 9 roles;
- recommendations for salary increases from the President and Vice-Chancellor in relation to the Deputy President and Deputy Vice-Chancellor; the Vice-Presidents and Deans; the Policy Vice-Presidents and the Registrar, Secretary and Chief Operating Officer;
- a succession plan for the President and Vice-Chancellor and her Senior Leadership Team;
- a copy of the University's Pay Gap Reports.

## Key decisions taken in 2023/24

The University is aware of the need to balance the challenging financial climate, the external perception of senior colleagues and the University's ability to pay with the need to recognise the contribution and performance of individuals and to retain talent.

The University is seeking to create financial headroom to invest in staff, students, facilities and technology to effect improvements. This is a significant challenge considering the increased financial, geo-political sector uncertainty, and response to Industrial Action. These uncertainties include greater global competition, reductions in public funding, potential decline in research income, impacts on the attraction of international talent, and further increases in costs arising from pensions, pay and inflation. These financial pressures are likely to impact on what the University can afford and sustain. The OfS is placing greater scrutiny on the sector in relation to the process for determining the salaries for senior managers and the amounts agreed in relation to the rest of the University staff. This needs to be taken into account when presenting proposals for salary increases, ensuring they are justified through a clearly presented business case.

Against this background, the overall nationally negotiated pay award in 2023/24 was 8% for staff on spine points 3 to 5, 7% on spine points 6 to 14, 6% on spine points 15 to 25 and 5% on spine points 26 and above. This was split with an interim uplift equating to £1000 for spine points 3 to 41, and 2% for spine points 42 and above in March 2023, and the remainder uplifted in August 2023. This followed an average uplift of circa 3.18% in 2022, with increases on a reducing basis from 9% at the lower points of the scale up to point 20, and there above 3%.

The Committee approved a recommendation from the Chair of the Board of Governors for a zero-pay award for the President and Vice-Chancellor, once again respecting the request from the President and Vice-Chancellor for no increase to be awarded for herself; and approved the recommendation from the President and Vice-Chancellor for pay awards effective from 1 April 2024 for her direct reports.

**Remuneration Policy for the Senior Leadership Team (2023-2024)**

The Remuneration Committee is directly responsible for setting the remuneration of the Senior Leadership Team reporting directly to the President and Vice-Chancellor:

Name	Role
Professor Dame Nancy J Rothwell	President and Vice-Chancellor
Professor Luke Georghiou	Deputy President and Deputy Vice-Chancellor
Mr Patrick Hackett	Registrar, Secretary and Chief Operating Officer
Professor Graham Lord	Vice-President and Dean of Biology, Medicine and Health
Professor Fiona Devine	Vice-President and Dean of Humanities
Professor Martin Schröder	Vice-President and Dean of Science and Engineering
Professor Colette Fagan	Vice-President for Research
Professor Nalin Thakkar	Vice-President for Social Responsibility
Professor April McMahon	Vice-President for Teaching, Learning and Students
Professor Richard Jones	Vice-President for Regional Innovation and Civic Engagement

Recommendations for the Director of People and Organisational Development and the Chief Financial Officer are made via the Senior Salaries Review Group (SSRG) and reported to and reviewed by the Remuneration Committee.

**Elements of Remuneration for the Senior Leadership Team**

The table below shows the elements of remuneration for the Senior Leadership Team, the reasons for their inclusion and the way they operate.

Element How element supports our strategy	Operation	Maximum potential value	Performance conditions and assessment
<p><b>Base salary</b></p> <p>Supports the recruitment and retention of Senior Leaders with the experience and skills required to deliver the University's strategic plan.</p> <p>Salary increases whether consolidated or non-consolidated provide an opportunity to recognise outstanding individual contributions by Senior Leaders.</p>	<p>Base salary, paid monthly, reflects the size of the role (based on Hay evaluation) and its responsibilities, individual performance assessed annually and the skills and experience of the individual.</p> <p>Increases to the President and Vice-Chancellor's base salary are approved by the Remuneration Committee.</p> <p>For all other members of the Senior Leadership Team except the Director of People &amp; OD and Chief Financial Officer, recommendations for base pay increases are made by the President and Vice-Chancellor and approved by the Remuneration Committee. Increases are effective from 1 April.</p> <p>The Registrar, Secretary and Chief Operating Officer makes recommendations to the Senior Salaries Review Group (SSRG) for the Director of People &amp; OD and Chief Financial Officer. Subsequently reported to and reviewed by the Remuneration Committee. A national pay</p>	<p>Increases to base salary are determined annually taking into account:</p> <ul style="list-style-type: none"> <li>• Individual performance</li> <li>• The scope of the role</li> <li>• Pay levels in comparable organisations</li> <li>• The levels of base salary increases for the staff of the University generally</li> <li>• The financial position of the University and the available budget for increases</li> <li>• Any retention issues</li> </ul> <p>In benchmarking base salaries the Committee considers two comparator points being:</p> <ul style="list-style-type: none"> <li>• The Upper Decile of the results of the UCEA Salary Survey across all Institutions;</li> <li>• The median of the Industrial and Service Sector with a range of 80%-120%.</li> </ul>	<p>An individual's skills and experience in the role is one of the factors considered when setting base salary levels.</p> <p>Outstanding individual contributions are, from time to time, recognised through increases to base salary. In particular this may be through the award of a non-consolidated increase to base salary</p>

<b>Element</b> <b>How element supports our strategy</b>	<b>Operation</b>	<b>Maximum potential value</b>	<b>Performance conditions and assessment</b>
<b>Base salary (continued)</b>	increase is effective from 1 August and any other performance increase is effective from 1 October.  Base pay increases can be either consolidated (a permanent increase to base salary which is pensionable) or non-consolidated. Non- consolidated increases are not pensionable and are paid as a lump sum shortly after they are awarded.	The Upper Decile of the Russell Group is considered appropriate on the basis that the University is one of the largest and most complex institutions with an ambitious agenda.	
<b>Pension</b>  Supports recruitment and retention of Senior Leaders in line with market practice in the University sector.  Provides flexibility for those who have reached HMRC limits for pension saving.	In general, members of the Senior Leadership Team will be members of an appropriate defined benefit pension arrangement. This will usually be the Universities Superannuation Scheme (USS) but may be the NHS Pension Scheme where appropriate.  Where the Senior Leader may be affected by the HMRC limits for pension saving, the University may pay a cash allowance (in line with the contributions the University would have made to the Scheme at no additional cost) in lieu of pension provision. This is dealt with on a case by case basis. Any cash allowance is subject to income tax and NI deductions.	The University contributed 21.6% of base salary to USS until 31 December 2023, this reduced to 14.5% from 1 January 2024 and 14.38% of base salary to the NHS Pension Scheme.	None applicable.
<b>Benefits</b>  To attract and retain Senior Leaders by providing benefits in line with market practice in the University sector.	A small range of benefits is available including life cover (which is automatic as it is linked to the pension scheme) and sick pay (six months full pay and six months half pay, in line with all employees).  The President and Vice- Chancellor receives private medical insurance.	The University bears the cost of providing benefits.	None applicable.

## Remuneration for other employees

All employees of the University receive a base salary plus benefits consistent with those available to the Senior Leadership Team, and are eligible to participate in the University's pension arrangements.

The base salary levels for the Senior Leadership Team reflect their position as some of the most senior employees of the University and are therefore higher than most staff of the University.

In addition to receiving the annual cost of living award, Grade 9 professional service staff's salaries are reviewed in October against performance and contribution. Any increases take into account the level of the annual cost of living award and the University's ability to pay, together with any market/retention issues. Such awards can either be consolidated and therefore pensionable or non-

consolidated and non pensionable. The size of the pot to be distributed in October 2023 equated to 2.16% of the the total of the base salaries of professional service grade 9 posts for the increment recommendations, with a further allocation in respect of exceptional payments, representing an overall 3.25% of the salary bill. This compares to that of 3.14% of total pay pot in October 2022, which excluded contractual bonus payments. This was primarily due to a change in market pay data and general market recruitment and retention conditions, and to ensure fairness and equity in pay.

Salary increase for the Professoriate are managed through the Faculty Promotion Committees and operate within the parameters of the Non Clinical Professorial Salary Policy.

Grade 1-8 staff receive an annual cost of living award and are eligible for incremental progression. In addition, they may be nominated once a year for an award under the University's Recognising Exceptional Performance policy. Awards can be non-consolidated or a further incremental point.

The University uses the Higher Education Role Evaluation (HERA) model to evaluate roles in grades 1 to 8. This translates into a 51 point pay spine with identified grade boundaries defining the minimum and maximum salary for each grade and the incremental progression points.

The President and Vice- Chancellors salary (£260,399) as a median of all salaries, academic salaries, professorial salaries and professional staff salaries, excluding on costs, is shown in the table on the following page.

	All salaries	Academic salaries	Professorial salaries	Professional Staff salaries
Median Salary	£39,347	£57,696	£87,175	£31,396
Ratio to VC Salary	6.6	4.5	3	8.3

The President and Vice-Chancellor's salary was 12.48 times greater than the lowest point following the interim uplift in February 2023, 12.25 times greater following the final uplift effected in August 2023, and following the implementation of the Real Living Wage in April 2024, this updated to 11.92 times greater.

The University monitors any increase in the minimum wage level proposed by the Living Wage Foundation, as an accredited member, and will adjust relevant salary points on its 51 point pay spine to meet the minimum proposed. In 2022/23 in response to this Grades 1 and 2 were adapted by reducing the number of points in Grade

2, and increasing the points in Grade 1 to enable incremental progression, and the first 3 points of Grade 1 were aligned to the Real Living Wage of £12 per hour from 1 April 2024.

The median salary for the last five years set against the President and Vice-Chancellor's salary is shown in the table below:

Year	Median Salary <sup>1</sup>	President and Vice-Chancellor's Base	Professional Staff salaries
23/24	£39,347	£260,399	1 : 6.6
22/23	£36,333	£260,399	1 : 7.2
21/22	£37,467	£260,399	1 : 6.9
20/21	£38,017	£260,399	1 : 6.8
19/20	£41,757*	£260,399	1 : 6.2

<sup>1</sup> The median salary figures referenced in this table relate to substantive staff only.

\* Above includes on costs where the figures for previous years and this year do not.

## Approach to recruitment remuneration

Overall, the University aims to recruit Senior Leaders using remuneration packages that are market-competitive and consistent with the existing remuneration structure. In doing so, the University seeks to develop our Employee Value Proposition to enhance our attractiveness, in recognition that the benefits of working at the University extend beyond the direct package offered. Work to review, define and update the reward strategy is an objective moving forward.

Newly recruited Senior Leaders are eligible to receive the same remuneration elements as existing Senior Leaders as set out in the policy table above, namely:

- Salary – set at an appropriate level taking into account the experience and quality of the candidate
- Pension

After recruitment, remuneration analysis comes into alignment with the annual salary review cycle once in post

for more than 9 months in role, unless any concerns in relation to retention or equity arise, whereupon inclusion in the review would be considered. The University does not expect to make special recruitment arrangements outside the standard policy, but may do so in exceptional circumstances in order to secure the appointment of the right candidate. All salaries at or above £120,000 must be approved by the President and Vice-Chancellor who may consult with the Chair of the Remuneration Committee.

## Senior Leaders' service contracts and notice periods

The service contracts and notice periods of the Senior Leadership Team are as follows:

Role	Terms	Names
President and Vice-Chancellor	Employed on a seven-year fixed term contract which is renewable and is subject to six month notice period. Also holds a contract as Professor of Physiology which is retained when leaves office.	Professor Dame Nancy Rothwell (until 31 July 2024) Professor Duncan Ivison (from 1 August 2024)
Deputy President and Deputy Vice-Chancellor	Employed on a five-year fixed term contract which is renewable and is subject to a three month notice period. On completion remains employed as a Professor.	Professor Luke Georghiou
Vice-Presidents and Deans	Appointed usually for a fixed five year term of office which is renewable and on completion remains employed as professors by the University and return to previous role/retained employed as a Professor. Subject to three-month notice periods.	Professor Fiona Devine Professor Graham Lord Professor Martin Schröder

Role	Terms	Names
Vice-Presidents	Appointed on fixed five-year contracts. Generally subject to a three-month notice period. On completion remain employed as a professor.	Professor April McMahon Professor Colette Fagan Professor Nalin Thakker Professor Richard Jones
Registrar, Secretary and Chief Operating Officer	Employed on a permanent contract and subject to a three-month notice period.	Mr Patrick Hackett

### Policy on termination payments

For the academic roles it is usual for the individual to return to their previous role as a Professor when they complete their term as a member of the Senior Leadership Team. In such cases, their base salary is reviewed at that time and may be adjusted where necessary to reflect their ongoing responsibilities. No additional payments are made in respect of stepping down from the Senior Leadership Team.

The University's overarching aim is to treat departing Senior Leaders

fairly, taking into account the circumstances of their departure, but always taking care to ensure that the interests of the University are considered and that there are no rewards for failure.

On leaving the University, Senior Leaders are entitled to be paid their Base Salary and contractual benefits (including pension contributions) during the notice period. The University has the discretion to pay these as a lump sum benefit in lieu of notice.

In general, no additional payments are made to compensate Senior Leaders when their employment terminates. If, in exceptional circumstances, a settlement agreement is needed, the Committee may make payments it considers reasonable in settlement of potential legal claims (e.g. unfair dismissal). It may include in such payments reasonable reimbursements of legal fees in connection with such agreements (the normal maximum for legal fees for senior managers is £750 + VAT).

### Consideration of conditions elsewhere in the University

The Committee is responsible for setting the remuneration of the Senior Leadership Team and is appraised of the base salaries determined for professorial staff in Zones B and A and,

by the Senior Salaries Review Group, salaries and recognition for Grade 9 professional services staff. When considering base salary increases for senior staff, the Committee takes

careful account of the level of salary increases across the University in general, and the financial position of the University including the budget available for such increases.

### History of President and Vice-Chancellor's remuneration

The table below shows the remuneration of the President and Vice-Chancellor over the last five years.

Year (ended July)	Remuneration
2024	£260,399
2023	£260,399
2022	£260,399
2021	£260,399
2020	£260,399

# Statement of the Board of Governors' responsibilities

for the year ending 31 July 2024

In accordance with the Royal Charter, the Board of Governors of The University of Manchester ('the Board') is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of The University of Manchester and which enable it to ensure that the financial statements are prepared in accordance with the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the Office for Students, the Terms and conditions of funding for higher education institutions issued by the Office for Students, the Terms and conditions of Research England Grant, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, and applicable United Kingdom Law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, as well as reflecting current best practice in public sector corporate governance. In addition, under the terms and conditions of funding for higher education institutions issued by the Office for Students, the Board, through its designated office-holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going-concern basis unless it is inappropriate to presume that The University of Manchester will continue in operation. The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going-concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps to ensure the University:

- has a robust and comprehensive system of risk management, control and corporate governance. This includes arrangements for the prevention and detection of corruption, fraud, bribery and irregularities.
- has regular, reliable, timely and adequate information to monitor performance and track the use of public funds.
- plans and manages its activities to remain sustainable and financially viable.
- informs the Office for Students of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the Office for Students.

- uses public funds for proper purposes and seeks to achieve value for money from public funds.
- complies with the mandatory requirements relating to audit and financial reporting, set out in the Office for Students Audit Code of Practice and in the Office for Students annual accounts direction.

The governors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditor is unaware; and each governor has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



**Philippa Hird**  
Chair of the Board of Governors  
and Pro-Chancellor

# Independent auditor's report to the Board of Governors of The University of Manchester

## Opinion

We have audited the financial statements of The University of Manchester (the 'parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the Consolidated and Parent Institution Statements of Comprehensive Income, the Consolidated and Parent Institution Statements of Financial Position, the Consolidated and Parent Institution Statements of Changes in Reserves, the Consolidated Statement of Cash Flows and notes to the financial statements, including the statement of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2024 and of the group's and parent institution's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and the Office for Students requirements.

## Basis for opinion

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

law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent institution in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Board of Governors' assessment of the group's and parent institution's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of management's going concern assessment process, discussing and challenging management to ensure all plausible scenarios were considered in their assessment.
- Obtaining and reviewing the cash flow forecasts for the period to 31 July 2026 which is more than twelve months from the date on which the financial statements were approved by the Board of Governors. The group modelled various scenarios in their cash flow forecasts to incorporate unexpected changes to the forecasted liquidity of the group.
- Considering the appropriateness of the assumptions and methods used to calculate the forecasts and evaluating whether the assumptions

and methods utilised were appropriate to be able to make an assessment for the group.

- Reviewing the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent institution's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Governors with respect to going concern are described in the relevant sections of this report.

## Our application of materiality

The scope of our audit was influenced by our application of materiality. We determined materiality for the financial statements as a whole ('overall materiality') to be £13,565,000 (2023: £13,446,000) for the consolidated financial statements using 1% (2023: 1%) of group revenue as a basis. The materiality threshold for the parent institution was also determined using 1% of revenue, but was capped at the group materiality level. As a not for profit organisation, we consider group revenue to be the most stable benchmark and the most relevant determinant of the group's performance used by stakeholders.

We used a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the consolidated financial statements. Performance materiality is based on the audit materiality as

adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This was set at 70% (2023: 70%) of overall materiality at £9,495,500 (2023: £9,412,200) for the group and the parent institution.

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of 5% of overall materiality at £678,250 (2023: £670,900) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Whilst materiality for the financial statements as a whole was set at £13,565,000, each significant component of the group was audited to an overall materiality ranging between £33,000 and £116,000 (2023: between £2,370 and £93,900) with performance materiality set at 70% (2023: 70%) of overall materiality in each entity. We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatement.

### **Our approach to the audit**

Our audit approach was developed by obtaining an understanding of the group's activities, the key judgements made by the Governors, for example in respect of significant accounting estimates, including the recognition of income, recoverability of debtors, valuation of pensions, valuation of provisions, the useful economic lives of the fixed assets and the impairment of the investments and tangible fixed assets that involved making assumptions, and considering future events that are inherently uncertain, and the overall control environment.

Based on this understanding we assessed those aspects of the group's transactions and balances which were most likely to give rise to a material misstatement and were most susceptible to irregularities including fraud or error. Specifically, we identified what we considered to be key audit matters and planned our audit approach accordingly.

All but one of the subsidiaries of the group (components) are based in the UK and the group audit team have responsibility for the audit of all components included in the consolidated financial statements

with the exception of one component, which is not materially significant. The group consists of six components. Five of the components were determined to be significant components and were subject to full scope audits. The remaining component was considered to be non-significant and specific audit procedures were performed on material balances.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our scope addressed this matter
<p><b>Risk of fraud in revenue recognition (£1,365m total income, 2023: £1,345m)</b></p> <p><i>Refer to the accounting policies (pages 50 and 51); and Notes 1-6 of the Consolidated Financial Statements</i></p> <p>Revenue is recognised in accordance with Section 23 of FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education.</p> <p>We considered the risk of fraud in revenue recognition across the group's income streams:</p> <p><b>Research grants and contracts (£287.8m; 2023: £271.0m):</b></p> <ul style="list-style-type: none"> <li>Research income recognition requires judgement at the year end in recognising accrued and deferred income.</li> </ul> <p><b>Tuition fees (£714.2m; 2023: £659.8m):</b></p> <ul style="list-style-type: none"> <li>Where there are fees related to courses over the year end and at variable rates there is a risk that revenue may not be recognised and within the correct reporting period.</li> </ul> <p><b>Capital grants (included within research and other income)</b></p> <ul style="list-style-type: none"> <li>Capital income recognition depends on judgement as to the extent performance conditions that apply to the income and if they have been met. There is a particular risk that deferred capital grants balances are not complete and therefore income has been recognised incorrectly.</li> </ul> <p><b>Other income (£172.1m; 2023: £193.5m);</b></p> <ul style="list-style-type: none"> <li>There is a risk that revenue has not been recorded in the correct period.</li> </ul>	<p><i>Our audit procedures across all material revenue streams included:</i></p> <ul style="list-style-type: none"> <li>Understanding and documenting the revenue processes for each material revenue stream.</li> <li>Identifying and performing a walkthrough of key controls over revenue processes for each material revenue stream.</li> <li>Reviewing the accounting policies to ensure these are appropriate and consistently applied.</li> <li>Reviewing the revenue receipts and transactions around the year end to ensure recognition in the correct period.</li> </ul> <p><i>Research grants and contracts</i></p> <ul style="list-style-type: none"> <li>Testing a sample of research income, deferred income and accrued income, identifying performance related conditions within funding agreements and ensuring the revenue recognition was in accordance with those conditions.</li> <li>Reviewing the outcomes of a sample of donor audits and discussed with research finance teams whether any amounts were due to be repaid to funders or disputed.</li> <li>Reviewing project balances for any unusual balances, or balances not in line with our expectations.</li> </ul> <p><i>Tuition fees</i></p> <ul style="list-style-type: none"> <li>Performing substantive analytical review procedures on full time courses through developing an expectation of fee income and comparing this to the income recognised in the year.</li> <li>Testing the accuracy of student numbers and type by sample testing to student records and fees to published rates for the academic year.</li> <li>We tested a sample of other fee income to invoices and cash received.</li> </ul> <p><i>Capital income</i></p> <ul style="list-style-type: none"> <li>Testing a sample of capital grant income and deferred income to the grant award to test that the income relates to the University and that the income is recognised in line with the award criteria.</li> </ul> <p><i>Other income</i></p> <ul style="list-style-type: none"> <li>Testing a sample of other income back to source documents, such as invoice, contracts, grant agreements and cash.</li> </ul> <p>Based upon the audit procedures performed, we conclude that revenue has been appropriately recorded in the period in accordance with the requirements of section 23 of FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education.</p>

<p><b>Valuation of defined benefit liabilities in the University of Manchester Superannuation Scheme and the Greater Manchester Pension Fund (UMSS £565.5m and GMPF £95.0m, 2023: £547.5m and GMPF £94.1m)</b></p>	
<p><i>Refer to the accounting policies (pages 53 and 54); and Notes 21 and 25 of the Consolidated Financial Statements. The University recognises three material pension schemes in the Statement of Financial Position.</i></p> <p>The Greater Manchester Pension Fund (GMPF) and University of Manchester Superannuation Scheme (UMSS) are accounted for as defined benefit pension schemes in accordance with section 28 of FRS 102 and section 21 of the Statement of Recommended Practice: Accounting for Further and Higher Education.</p> <p>Accounting for the technical liabilities related to these two schemes involves significant estimation and judgement in determining the actuarial assumptions.</p> <p>Management has engaged an independent actuary to undertake the calculations on their behalf.</p> <p>We consider there to be a risk that the gross pension liability is materially misstated as a result of inappropriate actuarial assumptions.</p>	<p><i>Our audit procedures included:</i></p> <ul style="list-style-type: none"> <li>• Understanding and documenting management’s process for determining the pension assumptions and liability calculation, as performed by the independent actuary.</li> <li>• Obtaining and reviewing the report prepared by the independent actuary for each of the two Schemes to understand the key assumptions and inputs used in the calculation.</li> <li>• Engaging with independent experts to review the actuarial assumptions used for the purposes of the liability valuation and considering whether any assumptions fell outside of an acceptable range, including those such as the discount rate, salary increases, Consumer Price Index and Retail Price Index.</li> <li>• Benchmarking assumptions to publicly available information, challenging the findings of actuaries, including our own experts, as necessary.</li> <li>• Confirming the independence of management’s actuary and assessing their objectivity, competence, capability and scope of work.</li> <li>• Reviewing the accounting policies and disclosures in the financial statements to ensure compliance with accounting standards.</li> </ul> <p>Based on the procedures performed, we concluded that:</p> <ul style="list-style-type: none"> <li>• the assumptions were within our acceptable range;</li> <li>• the disclosures within the financial statements were appropriate; and</li> <li>• the gross liability for UMSS and GMPF have been accounted for in accordance with section 28 of FRS 102 and section 21 of the Statement of Recommended Practice: Accounting for Further and Higher Education.</li> </ul>
<p><b>Valuation of defined benefit assets in the Greater Manchester Pension Fund (£94.2m, 2023: £93.1m)</b></p>	
<p><i>Refer to the accounting policies (pages 53 and 54); and Notes 21 and 25 of the Consolidated Financial Statements.</i></p> <p>The University is an admitted body to the Greater Manchester Pension Fund (GMPF). This is a multi-employer scheme and they recognise their share of the assets and liabilities on the balance sheet in accordance with section 28 of FRS 102 and section 21 of the Statement of Recommended Practice: Accounting for Further and Higher Education.</p> <p>The GMPF actuary uses a roll forward approach to estimate the value of the assets at the year-end date. This involves estimating the value of the assets in the GMPF and applying the University’s share of these assets, which is calculated at each triennial valuation.</p>	<p><i>Our audit procedures included:</i></p> <ul style="list-style-type: none"> <li>• Understanding and documenting management’s process for determining the asset roll forward.</li> <li>• Obtaining the report prepared by the independent actuary to gain an understanding of the key assumptions and inputs used in the calculation.</li> <li>• Confirming the independence of management’s actuary and assessing their objectivity, competence, capability and scope of work.</li> <li>• Confirming the University’s share of assets to the actuary report and that these are consistent year on year when compared to the published GMPF financial statements.</li> <li>• Reviewing the accounting policies and disclosures in the financial statements to ensure compliance with accounting standards.</li> </ul> <p>Based on the procedures performed, we concluded that the assumptions used were reasonable and the disclosures within the financial statements appropriate.</p>

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information contained within the annual report. Our opinion on the group and parent institution financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Office for Students

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

- funds from whatever source administered by the institution have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation (including Research England) have been applied in accordance with the applicable terms and conditions attached to them; and
- the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met.

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

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you if, in our opinion:

- the institution's grant and fee income, as disclosed in Notes 1 and 2 to the financial statements, has been materially misstated; and
- the institution's expenditure on access and participation activities for the financial year has been materially misstated.

## Responsibilities of the Board of Governors

As explained more fully in the Statement of the Board of Governors' Responsibilities, the Board of Governors is responsible for the preparation of the group and parent institution financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent institution financial statements, the Board of Governors are responsible for assessing the group's and the parent institution'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 management either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to

detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent institution and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of our audit knowledge and experience.
- We determined the principal laws and regulations relevant to the group and parent institution in this regard to be those arising from the Office for Students Terms and conditions of funding for higher education institutions, the Higher Education and Research Act 2017, Financial Reporting Standard 102 and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent institution with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the valuation of defined benefit assets and liabilities. See the key audit matter section of our report of details. We addressed the fraud risk in revenue recognition through substantive sample testing of research income back to source documents to ensure that income was recognised in accordance with the performance related conditions. We also independently inquired with the University's Research Office to confirm whether there are any disputes in relation to research finance and understand the outcome of audits performed by grant funding bodies during the period, cross referring responses and the results of our substantive

testing and challenging whether the University's assessment of clawback risk is correctly valued in the financial statements.

- We also identified potential for management bias in:
  - the judgements made around recoverability of debtors, which we addressed through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management;
  - the depreciation rate applied to tangible fixed assets, which we addressed by considering the useful economic life applied for the types of asset held, and re-performing the calculation to ensure it had been performed accurately in line with the stated method;
  - the accounting for the defined benefit pension scheme liabilities, which we addressed through review of the actuarial reports prepared by management's experts, testing the reasonableness of assumptions and inputs to their calculation, and challenging assumptions applied in the valuation; and
  - the valuation of heritage assets, where we challenged the valuation methodology, including inputs and considering whether assumptions are reasonable and appropriate. We also challenged management's annual review for impairment.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk

is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Other matters which we are required to address

We were appointed by The University of Manchester on 23 July 2021 to audit the financial statements for the period ending 31 July 2021 and subsequent financial periods. Our total uninterrupted period of engagement is 4 years, covering the periods ending 31 July 2021 to 31 July 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent institution and we remain independent of the group and the parent institution in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

### Use of our report

This report is made solely to the Board of Governors, as a body, in accordance with the Charters and Statutes of The University of Manchester. Our audit work has been undertaken so that we might state to the Board of Governors 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 Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.



**Carmine Papa (Engagement Partner)**  
**For and on behalf of PKF Littlejohn LLP**  
**Registered Auditor**

15 Westferry Circus  
 Canary Wharf  
 London E14 4HD  
 Date: 29 November 2024

# FINANCIAL STATEMENTS

**For the year ended 31 July 2024**



# Statement of principal accounting policies

## 1. Basis of preparation

These financial statements have been prepared in accordance with the Higher Education and Research Act 2017, 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 Office for Students, the Terms and conditions of Research England Grant, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019 and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

### Going concern

The financial statements are prepared on a going concern basis which the Board of Governors considers to be appropriate for the reasons set out below.

At 31 July 2024 the University held cash and cash equivalents of £189m, had net current assets £224m, and external borrowings of just under £400m, comprising £100m private placement maturing 2046 and a £300m listed bond maturing 2053. The University also has access to a £150m Revolving Credit Facility expiring March 2026 which had not been utilised as of 31 July 2024. The University complied with all covenant requirements for existing borrowing at 31 July 2024. All debt is unsecured. Subsequent to the year-end the University held cash and cash equivalents of £253m at 31 October 2024, had no further borrowing in place and the RCF remained unutilised.

The Board of Governors have considered cash flow forecasts from the date of approval of these financial statements to 31 July 2026, a period of 20 months. They have reviewed a base case forecast and also severe but plausible downsides, extreme reverse stress test scenarios and mitigating actions that the University can take to

reduce costs at short notice. These forecasts show that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2026.

These scenarios also show that the University remains financially sustainable with sufficient available cash balances underpinned by the £150m Revolving Credit Facility which the University has in place out to March 2026.

Since the year end, a replacement seven year RCF out to 2031 has been negotiated and the facility agreement has been approved by all parties, see note 32.

As a consequence of the above, the Board of Governors have a reasonable expectation that the University has adequate resources to continue in operational existence for the 20 months to 31 July 2026. Therefore, the Board of Governors continue to adopt the going concern basis of accounting in preparing the Financial Statements.

## 2. Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of:

- Certain investment properties which have been revalued to fair value as at the year ended 31 July 2024.
- Financial instruments are stated at fair value in accordance with FRS 102.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the University operates (the functional currency) and rounded to the nearest £'000.

The University has taken the exemption Under 1.12 (b) of FRS 102 to not produce a cash flow statement for the University as it is the ultimate parent entity.

## 3. Basis of consolidation

The consolidated financial statements include the University and all its

subsidiaries for the financial year to 31 July 2024. 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, being the date on which the Group obtains control of the entity, or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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.

Associated companies and joint ventures are accounted for using the equity method.

## 4. Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

### Tuition fee income

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount, 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.

### Grant funding

Grant funding including funding council block grants, research grants from government sources, grants (including research grants) from non-government sources are recognised as income

when the University is entitled to the income and any performance related conditions have been met. Income received in advance of any performance related condition being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

### Insurance proceeds

Insurance proceeds are recognised as receivable when confirmed by the insurance company. Proceeds relating to the loss of income are recognised as income when receivable. Proceeds which relate to the reimbursement of specific costs are netted off the costs to which they relate. Proceeds relating to the loss of a tangible fixed asset are disclosed within profit on disposal of fixed assets.

### Donations and endowments

Donations and endowments without performance related conditions are non-exchange transactions. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. For donations with restrictions, 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 income.

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 of the restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

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 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.

Donations of fixed assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible fixed assets are valued and accounted for as fixed assets under the appropriate fixed asset category.

### 5. Intra-group transactions

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.

Balances between the University and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, but the part relating to the Institution's share is eliminated.

### 6. 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 balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised within surplus before tax in the Statement of Comprehensive Income.

Non-monetary assets and liabilities denominated in foreign currencies are measured in terms of historical cost and 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, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, pounds sterling, at foreign exchange rates ruling at the balance sheet 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.

### 7. Tangible fixed assets

Tangible fixed assets are stated at cost or, in the case of certain land and buildings and heritage assets at deemed cost, less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

### Land and buildings

Land and buildings are stated at cost or at deemed cost.

Where a property comprises 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.

Major enhancements to existing buildings at a cost of more than £150,000 are capitalised and depreciated over their expected UEL, or less if the leasehold is shorter.

Depreciation is charged by component on a straight line basis over the estimated useful economic life of each component.

Useful economic lives for individual components of land and buildings are as follows:

Property Portfolio	Years
Structure (Academic, research, residential)	100 - 200
Structure (Sport, recreational, administrative)	20 - 50
Fit-Out (Academic, research, residential)	25 - 50
Fit-Out (Sport, recreational, administrative)	2 - 20
Mechanical and electrical services	10 - 35

New Builds	Years
Structure	100
Fit-Out	30
Mechanical and electrical services	20

Enhancements	Years
Structure	50
Fit-Out	30
Mechanical and electrical services	20

Freehold land is not depreciated as it is considered to have an indefinite useful life. Leasehold land is depreciated over the life of the lease where the lease is for less than 50 years.

Buildings under construction are included at cost, based on the value of architect's certificates and other costs incurred at 31 July 2024. They are not depreciated until they are brought into use.

## Equipment

Individual items of equipment and groups of functionally dependent items costing more than £100,000 are capitalised at cost. All other items are written off to the Statement of Comprehensive Income in the year of acquisition. This threshold has been increased from £50,000 in 2022/23.

Computer equipment consists of long-lived capital assets that normally are technological in nature and are the basis of the University's information/connectivity infrastructure which exceed the £100,000 threshold. External specialist cost to bring the equipment into use will be considered as part of the asset. This includes all hardware, cabling and any incidental software required for the equipment to function.

Capitalised equipment is depreciated on a straight line basis over its expected

useful economic life, generally assumed to be 3 years. Equipment acquired for a specific funded project is depreciated over its expected useful life which ordinarily equates to the term of the project.

## Impairment

A review for impairment of a tangible fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the tangible fixed asset may not be recoverable.

## Maintenance

The full costs of repairs and routine corrective maintenance on tangible fixed assets are charged against revenue in the year in which they are incurred.

## Assets held for resale

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

## Borrowing costs

Borrowing costs are recognised as expenditure in the year in which they are incurred. The University has opted not to capitalise borrowing costs.

## 8. Heritage assets

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture. Heritage assets are stated at cost or deemed cost. Heritage assets valued over £50,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

## 9. 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.

## 10. Goodwill

Goodwill arising on consolidation is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated life which is usually 5 years and is subject to periodic impairment reviews as appropriate.

Positive purchased goodwill is capitalised and classified as an asset on the balance sheet.

## 11. Intangible assets

Intangible assets purchased separately from a business are initially recognised at cost.

## Purchased Software Costs

Software costs are capitalised if externally purchased and the wholly attributable external implementation costs as set out below exceed the £100,000 threshold. This threshold has been increased from £50,000 in 2022/23.

External costs, associated with the application development and implementation phases are capitalised. This may involve the acquisition of computer equipment or third party software. Internal costs incurred in order to bring the software in to use are also capitalised where they can be reliably measured.

Costs to develop or obtain software that allows for access or conversion of old data by new information systems are also capitalised.

Software is amortised over its estimated useful life which is usually three years and is subject to periodic impairment reviews as appropriate.

Training costs are expensed as incurred.

External costs and internal costs (where they can be reliably measured) in respect of upgrades and enhancements will be capitalised only if the expenditure results in additional functionality.

## Internally-developed software and web-development costs

Design and content costs relating to the development of internal software and websites to support specific teaching or training courses, or for

specific research projects, as well as design and content costs for websites that are the general use of the institution and its staff are written off as incurred.

### Impairment

A review for impairment of an intangible asset is carried out if events or changes in circumstances indicate that the value of the intangible asset may not be recoverable.

## 12. Subsidiary undertakings, associate undertakings and joint ventures

In the University balance sheet investments in subsidiaries are stated at cost less provision for impairment. In the consolidated financial statements, investments in associated undertakings are stated at the University's share of their net assets. The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income.

## 13. Investment properties

Investment property is land and buildings (or parts of buildings) held for rental income and/or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value at the balance sheet date. Changes in fair value are recognised immediately within the surplus before tax in the Statement of Comprehensive Income. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

## 14. Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. 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.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows:

### Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the Statement of Comprehensive Income). Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the Statement of Comprehensive Income. All other investments are measured at cost less impairment.

### Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

### Loan notes receivable or payable

Debt instruments, including loan notes, are basic financial instruments and are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at amortised cost using the effective interest method. Debt instruments that are receivable or payable within one year are not discounted.

## 15. Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

## 16. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24

hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Deposit investments are deemed to be cash equivalents if they have a maturity of three months or less from the date of placement.

## 17. Provisions, contingent liabilities and contingent assets

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

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 possible 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 probable 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 Balance Sheet but are disclosed in the notes.

## 18. Accounting for retirement benefits

The five principal schemes for the University's staff are the Universities Superannuation Scheme ('USS'), the NHS Pension scheme ('NHSPS'), the University of Manchester Superannuation Scheme ('UMSS'), the Greater Manchester Pension Fund ('GMPF') and the University of Manchester Pension Saver ('UoMPS').

The first four schemes are defined benefit schemes whilst UoMPS is a defined contribution scheme.

The four defined benefit schemes are externally funded, with the assets of the schemes held separately from those of the group, in separate trustee administered funds. With the exception of NHSPS, each fund has a full valuation at least every three years carried out by professionally qualified independent actuaries.

Pension costs are assessed on the latest actuarial valuations of the Schemes and are accounted for on the basis of FRS 102.

### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the University 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. UoMPS is such a defined contribution plan.

### Defined benefit plans

UMSS and GMPF schemes are accounted for as defined benefit plans under FRS 102. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. 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 University should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets at the balance sheet date. The calculation is performed by a qualified actuary using the projected unit credit method.

Where the defined benefit plan has changed the benefits in the current

period, the University will increase or decrease its net defined liability to reflect this and shall recognise the increase or decrease as an expense or income respectively. Similarly if changes have come into effect that relate to prior periods (e.g due to legal rulings), these will be recognised as a past service cost or income in the period in which the decision / change is made.

If a defined benefit plan has been curtailed (i.e. benefits are significantly reduced) in the current period the defined benefit obligation shall be decreased and the University shall recognise the gain in the profit and loss in the current period. If significant it will be shown separately within the Statement of Comprehensive Income.

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.

### Multi-employer pension schemes

Of the four schemes, USS and NHSPS are both multi-employer schemes. Because of the mutual nature of the schemes, the schemes' assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University 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 two schemes on a consistent and reasonable basis. Therefore, as required by FRS 102, these schemes are accounted for as if they are defined contribution plans. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. In addition, as a contractual commitment was in place with USS to fund past deficits within the scheme, a liability was recorded within provisions in the prior year in accordance with FRS 102. As deficit contributions have ceased, there is no provision as at 31 July 2024.

### 19. 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.

### 20. Taxation status

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by Sections 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 expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation.

### 21. Current and deferred 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 balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax is measured at rates expected to apply when the tax crystallises based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## 22. Reserves

Reserves are classified as restricted or unrestricted.

Restricted endowment reserves include balances which, through endowment to the University, are held either as a permanently restricted fund where the University must hold the fund to perpetuity or as an expendable endowment where the capital can be spent.

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.

## 23. Agency arrangements

Where the University receives and disburses funds as paying agent on behalf of a funding body for which the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction, then the related income and expenditure is excluded from the Statement of Comprehensive Income. Details are disclosed within Note 33 'Amounts disbursed as agent'.

## 24. Significant 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. These are reviewed and reassessed on an annual basis by the University's senior management team. The resulting accounting estimates will, by definition, seldom equal the related actual results.

### Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

### Revenue recognition

As outlined in accounting policy 4, grant

and research revenue is recognised in the Statement of Comprehensive Income as performance conditions are satisfied. Therefore management apply judgement in deferring income received for conditions not yet satisfied. To assess these amounts management consider the individual grant conditions and the progress and expenditure incurred on each agreement.

### Recoverability of debtors

The provision for doubtful debts is based on the University's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. It is University policy to provide in full for all debtors over one year old and make provision for any known specific bad or significant disputed debt is less than 365 days old. At 31 July 2024, the total provision for doubtful debts was £10.9m. If the policy was amended to include all debt over 270 days old, the provision would increase by £6.9m as at 31 July 2024.

### Investment properties

Valuations are undertaken periodically by an independent external team of chartered surveyors. This is then updated annually by senior management based on the current tenant rents and an estimate of the rental yield going forward. The estimated rental yield assumption was based on market information issued not long before the year end and is therefore considered to be reasonable. The rental yield assumption used was 10%. A 1% increase in the yield would reduce the valuation by £0.3m and a 1% decrease in the yield would increase the valuation by £0.3m. At the 31 July 2024 the fair value of investment properties was £2.5m.

### Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgements based on these.

Other provisions of £31m relate to several specific items as set out in Note 21. This includes provisions for certain specific onerous contracts and dilapidations; a provision for clawback of European Research grant funding; and a provision for demolition costs in relation to certain student residences based at Fallowfield in advance of planned redevelopment as well as the Faraday tower building on North Campus.

### Retirement benefit obligations

The University operates five pension schemes. Two of these schemes are accounted for as defined benefit schemes. These are the University of Manchester Superannuation Scheme ('UMSS') and the Greater Manchester Pension Fund ('GMPF'). Actuarial valuations are carried out as determined by the trustees annually. Pension costs under FRS 102 are based upon the latest actuarial valuation, which is based on assumptions agreed by management following actuarial advice. The liability may also take account of the estimated impact of changes in benefit structure or benefit calculations (e.g. due to legal rulings). The impact of this is estimated based on actuarial advice but also known conditions within the relevant scheme. The key assumptions used are documented within Note 25 as well as the key sensitivities in relation to the impact of those assumptions on the net pension liabilities. These assumptions and the asset values are based on data derived as at 31 July 2024 or close to the year end.

The University also operates two schemes which are accounted for as defined contribution schemes as they are multi-employer schemes: the Universities Superannuation Scheme ('USS') and the NHS pension scheme ('NHSPS'). These two multi-employer schemes are accounted for as defined contribution schemes as insufficient information is available to identify the University's share of the underlying assets and liabilities.

The University is contractually bound to make deficit recovery payments to USS, previously recognised as a liability on the balance sheet. Following the 2023 actuarial valuation, there is no longer a deficit in the scheme and consequently no deficit recovery payments required from the University. The University previously held a provision for deficit payments required

as a percentage of future salaries until 2038. Following the latest valuation, this provision has now been released as at 31 December 2023. Further disclosure on the USS scheme and the key assumptions on the valuation are set out in Note 21 and Note 25(a).

### **Taxation**

The University establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

No deferred tax assets are recognised in relation to tax losses within the subsidiaries as the likelihood of utilising these tax losses in the near future is seen as remote. Also the value of tax losses in subsidiaries available for future utilisation is not significant.

### **Significant Judgements**

The judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below, apart from those judgements involving estimation which above.

#### *Revenue recognition*

As outlined in accounting policy 4, grant and research revenue is recognised in the Statement of Comprehensive Income as performance conditions are satisfied. Therefore management apply judgement in deferring income received for conditions not yet satisfied. To assess these amounts management consider the individual grant conditions and the progress and expenditure incurred on each agreement.

#### *Impairments*

Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Management have also considered the

impact of the introduction of hybrid working on its estate. They consider that the estate will continue to be fully utilised for the foreseeable future.

As the University's investment portfolio is mostly listed, it is valued at fair value as at the year end date. Any other long term holding is cash. Therefore no additional impairment provision is required in relation to long-term investments as a consequence of any subsequent events.

# Consolidated statement of comprehensive income

Year ended 31 July 2024

	Notes	Consolidated		University	
		Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2023 £'000
<b>Income</b>					
Tuition fees and education contracts	1	714,298	659,945	714,298	659,945
Funding body grants	2	150,980	184,180	150,980	184,180
Research grants and contracts	3	287,850	271,088	287,850	271,088
Other income	4	172,137	193,458	172,579	194,466
Investment income	5	31,212	17,430	31,206	17,426
Donations and endowments	6	8,306	18,564	8,306	18,564
<b>Total income</b>		<b>1,364,783</b>	<b>1,344,665</b>	<b>1,365,219</b>	<b>1,345,669</b>
<b>Expenditure</b>					
Staff costs	7	692,528	624,009	681,628	613,432
Changes in USS deficit recovery plan	7	(299,195)	-	(299,195)	-
Total staff costs		393,333	624,009	382,433	613,432
Other operating expenses	8	503,679	486,744	516,029	499,037
Depreciation and amortisation	11 & 12	97,473	95,851	97,247	95,439
Interest and other finance costs	9	29,552	31,272	29,552	31,272
<b>Total expenditure</b>		<b>1,024,037</b>	<b>1,237,876</b>	<b>1,025,261</b>	<b>1,239,180</b>
<b>Surplus before other gains and share of operating surplus of associates</b>		<b>340,746</b>	<b>106,789</b>	<b>339,958</b>	<b>106,489</b>
Gain/(loss) on investments (including investment properties)		18,135	(381)	18,135	(381)
Share of operating (deficit)/surplus in associates	15	(2,322)	524	-	-
<b>Surplus before tax</b>		<b>356,559</b>	106,932	<b>358,093</b>	106,108
Taxation	10	386	322	401	322
<b>Surplus after tax</b>		<b>356,945</b>	<b>107,254</b>	<b>358,494</b>	<b>106,430</b>
<b>Other comprehensive income</b>					
Actuarial losses in respect of pension schemes	25	(13,516)	(29,404)	(13,516)	(29,404)
<b>Total comprehensive surplus for the year</b>		<b>343,429</b>	<b>77,850</b>	<b>344,978</b>	<b>77,026</b>
Endowment comprehensive surplus/(deficit) for the year		18,608	(1,862)	18,608	(1,862)
Restricted comprehensive surplus/(deficit) for the year		720	(8,362)	720	(8,362)
Unrestricted comprehensive surplus for the year		324,101	88,074	325,650	87,250
		<b>343,429</b>	<b>77,850</b>	<b>344,978</b>	<b>77,026</b>

All items of income and expenditure relate to continuing activities

# Consolidated statement of changes in reserves

Year ended 31 July 2024

(a) Consolidated	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
<b>Balance at 1 August 2023</b>	221,624	454	1,664,200	1,886,278
Surplus from the income and expenditure statement	18,608	993	337,344	356,945
Other comprehensive income	-	-	(13,516)	(13,516)
Release of restricted funds spent in year	-	(273)	273	-
Total comprehensive surplus for the year	18,608	720	324,101	343,429
<b>Balance at 31 July 2024</b>	<b>240,232</b>	<b>1,174</b>	<b>1,988,301</b>	<b>2,229,707</b>

<b>Balance at 1 August 2022</b>	223,486	8,816	1,576,126	1,808,428
(Deficit)/surplus from the income and expenditure statement	(1,862)	200	108,916	107,254
Other comprehensive income	-	-	(29,404)	(29,404)
Release of restricted funds spent in year	-	(8,562)	8,562	-
Total comprehensive (deficit)/surplus for the year	(1,862)	(8,362)	88,074	77,850
<b>Balance at 31 July 2023</b>	<b>221,624</b>	<b>454</b>	<b>1,664,200</b>	<b>1,886,278</b>

(b) University	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
<b>Balance at 1 August 2023</b>	221,624	454	1,647,610	1,869,688
Surplus from the income and expenditure statement	18,608	993	338,893	358,494
Other comprehensive income	-	-	(13,516)	(13,516)
Release of restricted funds spent in year	-	(273)	273	-
Total comprehensive surplus for the year	18,608	720	325,650	344,978
<b>Balance at 31 July 2024</b>	<b>240,232</b>	<b>1,174</b>	<b>1,973,260</b>	<b>2,214,666</b>

<b>Balance at 1 August 2022</b>	223,486	8,816	1,560,360	1,792,662
(Deficit)/surplus from the income and expenditure statement	(1,862)	200	108,092	106,430
Other comprehensive income	-	-	(29,404)	(29,404)
Release of restricted funds spent in year	-	(8,562)	8,562	-
Total comprehensive (deficit)/surplus for the year	(1,862)	(8,362)	87,250	77,026
<b>Balance at 31 July 2023</b>	<b>221,624</b>	<b>454</b>	<b>1,647,610</b>	<b>1,869,688</b>

# Consolidated statement of financial position

As at 31 July 2024

	Notes	Consolidated		University	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Non current assets</b>					
Intangible assets and goodwill	11	1,526	6,999	1,526	6,999
Fixed assets	12	2,038,817	2,054,098	2,038,716	2,053,770
Heritage assets	13	258,471	258,411	258,471	258,411
Investments	14	234,634	218,576	236,528	220,471
Investments in associates	15	9,217	11,539	-	-
		<b>2,542,665</b>	<b>2,549,623</b>	<b>2,535,241</b>	<b>2,539,651</b>
<b>Current assets</b>					
Stock		1,633	1,595	1,633	1,595
Trade and other receivables	16	200,232	192,028	200,768	192,420
Investments	17	300,000	270,000	300,000	270,000
Cash and cash equivalents		188,877	173,375	179,601	165,527
		<b>690,742</b>	<b>636,998</b>	<b>682,002</b>	<b>629,542</b>
Less: Payables: amounts falling due within one year	18	(466,799)	(474,900)	(465,676)	(474,062)
<b>Net current assets</b>		<b>223,943</b>	<b>162,098</b>	<b>216,326</b>	<b>155,480</b>
<b>Total assets less current liabilities</b>					
		<b>2,766,608</b>	<b>2,711,721</b>	<b>2,751,567</b>	<b>2,695,131</b>
Payables: amounts falling due after more than one year	19	(394,056)	(393,931)	(394,056)	(393,931)
<b>Provisions</b>					
Pension provisions	21	(111,600)	(401,259)	(111,600)	(401,259)
Other provisions	21	(31,245)	(30,253)	(31,245)	(30,253)
<b>Total net assets</b>		<b>2,229,707</b>	<b>1,886,278</b>	<b>2,214,666</b>	<b>1,869,688</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - expendable reserve	22	240,232	221,624	240,232	221,624
Income and expenditure reserve - restricted reserve	23	1,174	454	1,174	454
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted reserve		1,988,301	1,664,200	1,973,260	1,647,610
<b>Total Reserves</b>		<b>2,229,707</b>	<b>1,886,278</b>	<b>2,214,666</b>	<b>1,869,688</b>

The financial statements were approved by the Governing Body on 20th November 2024 and were signed on its behalf on that date by:



**Philippa Hird**  
Chair of the Board of Governors and Pro-Chancellor



**Professor Duncan Ivison**  
President and Vice-Chancellor



**Carol Prokopyszyn**  
Chief Financial Officer

# Consolidated statement of cash flows

Year ended 31 July 2024

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		356,945	107,254
<b>Adjustment for non-cash items</b>			
Depreciation and impairment	12	92,013	88,366
Amortisation of intangible assets	11	5,460	7,485
(Gain)/Loss on investments		(18,135)	381
Increase in stock		(38)	(186)
Increase in receivables	16	(8,204)	(1,695)
Increase/(decrease) in payables	18	4,760	(3,471)
Decrease in pension provision	21	(303,175)	(39,919)
Increase in other provisions	14, 15 & 21	1,577	8,979
Share of operating deficit/(surplus) in associate	15	2,322	(524)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(28,471)	(16,086)
Interest payable	9	17,915	17,909
New endowments	6	(2,013)	(1,440)
Capital grant income		(32,397)	(80,626)
Assets transferred to other operating expenditure	11-12	153	1,875
<b>Net cash inflow from operating activities</b>		<b>88,712</b>	<b>88,302</b>
<b>Cash flows from investing activities</b>			
Disposal of non current asset investments		2,685	4,465
Capital grant receipts		20,342	28,567
(Placement)/withdrawal of deposits		(30,000)	(40,000)
Investment income		28,471	16,086
Payments made to acquire fixed assets		(77,737)	(80,689)
Payments made to acquire investments		(1,194)	(2,972)
<b>Net cash outflow from investing activities</b>		<b>(57,433)</b>	<b>(74,543)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(17,790)	(17,790)
Endowment cash received		2,013	1,440
<b>Net cash outflow from financing activities</b>		<b>(15,777)</b>	<b>(16,350)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	26	<b>15,502</b>	(2,591)
Cash and cash equivalents at beginning of the year	26	173,375	175,966
<b>Cash and cash equivalents at the end of the year</b>	<b>26</b>	<b>188,877</b>	173,375

# Notes to the financial statements

Year ended 31 July 2024

1 Tuition fees and education contracts	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Full-time home students	217,276	222,045	217,276	222,045
Full-time international students	438,511	384,597	438,511	384,597
Part-time students	31,140	31,301	31,140	31,301
Short course fees	27,334	21,946	27,334	21,946
Research training support grants	37	56	37	56
	<b>714,298</b>	<b>659,945</b>	<b>714,298</b>	<b>659,945</b>

2 Funding body grants	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Recurrent grant</b>				
Research England recurrent grant	88,116	96,320	88,116	96,320
Office for Students recurrent grant	36,286	33,251	36,286	33,251
Office for Students capital grant	729	210	729	210
Research England capital grant	11,111	40,948	11,111	40,948
Other recurrent grants	3,551	3,551	3,551	3,551
<b>Specific grants</b>				
Special initiatives	11,187	9,900	11,187	9,900
	<b>150,980</b>	<b>184,180</b>	<b>150,980</b>	<b>184,180</b>

The OfS Accounts Direction requirement for the analysis of Grant and fee income is set out below.	2024 £'000	2023 £'000 (restated)	2024 £'000	2023 £'000 (restated)
---	---------------	-----------------------------	---------------	-----------------------------

## Grant and fee income analysis

Grant income from the OfS	40,402	36,968	40,402	36,968
Grant income from other bodies	415,025	468,030	415,018	467,981
Fee income for taught awards (exclusive of VAT)	659,748	611,239	659,748	611,239
Fee income for research awards (exclusive of VAT)	27,215	26,760	27,215	26,760
Fee income from non-qualifying courses (exclusive of VAT)	27,334	21,946	27,334	21,946
	<b>1,169,724</b>	<b>1,164,942</b>	<b>1,169,717</b>	<b>1,164,893</b>

The 2023 Grant and fee income analysis has been restated. Research grant income to the value of £271.1m had been incorrectly disclosed within the Fee income for research awards. Research grant income should be disclosed within Grant income from other bodies and has been restated as such. There is no change in the total value of the analysis.

## Notes to the financial statements (continued)

Year ended 31 July 2024

3 Research grants and contracts	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Research councils	133,827	118,798	133,827	118,798
UK based charities	53,385	55,287	53,385	55,287
UK central government, hospitals and health authorities	49,964	41,271	49,964	41,271
UK industry and commerce	21,156	16,727	21,156	16,727
Overseas	28,039	37,827	28,039	37,827
Other sources	1,479	1,178	1,479	1,178
	<b>287,850</b>	<b>271,088</b>	<b>287,850</b>	<b>271,088</b>

The above includes £19.6m (2023: £13.7m) relating to income recognised in respect of capital additions.

Included within the above is £183.8m (2023: £160.1m) of income from UK Government sources. There are no significant unfulfilled conditions or contingencies relating to government income recognised. The University has not benefited from any other government revenue grants outside of that disclosed in notes 3 and note 4 (2023: nil).

4 Other income	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Residences, catering and conferences	66,575	57,668	66,575	57,668
Other grants	45,172	48,587	45,165	48,538
Income from supply of goods and services	11,098	16,198	11,098	16,198
Income from reimbursed salary costs	14,354	14,258	14,354	14,258
Premises income	1,922	2,410	2,976	3,464
Consultancy	2,692	2,676	2,692	2,676
Other capital income	955	25,817	955	25,817
Other	29,369	25,844	28,764	25,847
	<b>172,137</b>	<b>193,458</b>	<b>172,579</b>	<b>194,466</b>

Included within the above is £48.4m (2023: £53.5m) of income from UK Government sources. There are no significant unfulfilled conditions or contingencies relating to government income recognised. The University has not benefited from any other government revenue grants outside of that disclosed in notes 3 and note 4 (2023: £nil).

5 Investment income	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Interest from short-term investments	22,964	12,424	22,958	12,420
Dividend income	2	-	2	-
Endowment income	5,326	3,603	5,326	3,603
Investment income	179	59	179	59
Net interest income on defined benefit pension	2,741	1,344	2,741	1,344
	<b>31,212</b>	<b>17,430</b>	<b>31,206</b>	<b>17,426</b>

6 Donations and endowments	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
New endowments	2,013	1,440	2,013	1,440
Donations	6,293	17,124	6,293	17,124
	<b>8,306</b>	<b>18,564</b>	<b>8,306</b>	<b>18,564</b>

7 Staff costs	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Staff Costs:				
Wages and salaries	514,326	478,188	505,276	469,371
Social security costs	56,750	53,390	56,070	52,698
Pension costs	120,446	91,733	119,283	90,733
Early retirement and voluntary severance (ERVS) scheme costs	1,006	698	999	630
	<b>692,528</b>	624,009	<b>681,628</b>	613,432
Change in USS deficit recovery plan	<b>(299,195)</b>	-	<b>(299,195)</b>	-
	<b>393,333</b>	<b>624,009</b>	<b>382,433</b>	<b>613,432</b>

Clinical Excellence Awards paid to NHS Consultants employed on joint contracts between the NHS and the University are not borne by the University and are excluded from the above analysis and from the analysis of remuneration of higher paid staff. These amount to £1.7m for the year ended 31 July 2024 (2023: £2.6m).

Termination benefits (including ERVS costs) amounting to £1.7m (2023: £1.2m) were paid to members of staff who left the University or its subsidiaries for the year ended 31 July 2024. These payments were made to 294 people in the year ended 31 July 2024 (2023: 197 people). Payments of £1.0m (27 people) (2023: £0.7m, 32 people) relate to voluntary severance, and payments of £0.7m (259 people) (2023: £0.5m, 165 people) relate to statutory redundancy payments to staff who held fixed term contracts.

Included in the costs reported are termination payments totalling £0.1m (2023: £0.1m) which were paid to 2 individuals (2023: 1 individual) whose annual remuneration exceeded £100,000.

Wages and salaries for USS, UMSS and Pension Saver members participating in the PensionChoice salary sacrifice arrangement reflect the reduced gross pay earned by staff and the pension costs reflect the increased employer element of the USS, UMSS and Pension Saver pension contributions.

As a result of the 2023 USS actuarial valuation showing a surplus, a new schedule of contributions was issued with effect from January 2024 which removed the requirement to make deficit contributions. As a result the USS deficit provision has been released giving rise to a credit of £299.2m which has been disclosed separately on the face of the Statement of Comprehensive Income due to its size.

	Consolidated		University	
	2024 No.	2023 No.	2024 No.	2023 No.
<b>Average staff numbers</b>				
Academic	3,096	2,955	3,096	2,955
Research	1,805	1,778	1,805	1,778
Administrative and management	2,001	1,740	1,785	1,654
Clerical and secretarial	2,316	1,987	2,316	1,987
Technical	2,082	2,048	2,082	2,048
<b>Total number of staff</b>	<b>11,300</b>	<b>10,508</b>	<b>11,084</b>	<b>10,422</b>

The number of staff disclosed relate to full time equivalents.

The full-time equivalent basic salary of higher paid staff, excluding employer's pension contributions, was within the ranges set out below. The full-time equivalent basic salary is calculated prior to any adjustment for salary sacrifice and includes market supplements but excludes bonuses, allowances, clinical excellence awards and other such payments. Where all or a proportion of salary is reimbursed by another body (such as the NHS, Research Councils or through grants or scholarships) only any portion paid by or charged to the University is disclosed.

Payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment are not included within this calculation. Of these staff, 128 staff held clinical roles in 2023/24 (2022/23: 113 staff).

## Notes to the financial statements (continued)

Year ended 31 July 2024

The number of higher paid staff has increased due to a combination of factors including promotion, increments and pay awards.

	Consolidated		University	
	2024 Average FTE Number of Employees	2023 Average FTE Number of Employees	2024 Average FTE Number of Employees	2023 Average FTE Number of Employees
£100,001 - £105,000	82	78	80	77
£105,001 - £110,000	40	43	40	43
£110,001 - £115,000	59	32	57	32
£115,001 - £120,000	21	27	21	26
£120,001 - £125,000	33	16	33	16
£125,001 - £130,000	9	19	8	19
£130,001 - £135,000	26	10	26	10
£135,001 - £140,000	11	15	11	15
£140,001 - £145,000	15	11	15	9
£145,001 - £150,000	10	6	10	5
£150,001 - £155,000	9	8	8	8
£155,001 - £160,000	8	6	8	6
£160,001 - £165,000	2	6	2	6
£165,001 - £170,000	3	3	2	3
£170,001 - £175,000	5	2	5	2
£175,001 - £180,000	2	3	2	3
£180,001 - £185,000	5	5	4	5
£185,001 - £190,000	3	2	3	1
£190,001 - £195,000	3	3	3	2
£195,001 - £200,000	3	2	2	2
£200,001 - £205,000	1	3	1	3
£205,001 - £210,000	3	2	3	2
£210,001 - £215,000	1	3	1	2
£215,001 - £220,000	4	-	4	-
£225,001 - £230,000	1	1	1	1
£230,001 - £235,000	-	1	-	1
£235,001 - £240,000	1	1	1	1
£245,001 - £250,000	1	-	1	-
£250,001 - £255,000	-	1	-	1
£260,001 - £265,000	2	2	1	2
£265,001 - £270,000	1	2	1	1
£270,001 - £275,000	1	-	1	-
£295,001 - £300,000	-	2	-	2
£300,001 - £305,000	1	-	1	-
£305,001 - £310,000	-	1	-	1
£370,001 - £375,000	-	1	-	1
£410,001 - £415,000	1	-	1	-
	<b>367</b>	<b>317</b>	<b>357</b>	<b>308</b>

	Consolidated and University	
	2024 £'000	2023 £'000
<b>Emoluments of the President and Vice-Chancellor:</b>		
Salary	260	260
Benefits	1	1
Pension contributions to USS in respect of 6.3% enhanced opt-out	7	16
	<b>268</b>	<b>277</b>

Professor Dame Nancy J Rothwell, the President and Vice Chancellor, retired from the University on 31st July 2024. The benefits received by the President and Vice Chancellor comprise private medical healthcare cover solely for herself. The pension contributions to USS in respect of her enhanced opt-out status is an employer obligation which provides for ill health and death in service cover. In line with the revised Schedule of Contributions for USS, this increased from 2.1% to 6.3% in October 2021. Information regarding the explanation for the President and Vice-Chancellor's remuneration can be found within the Remuneration Committee report on page 38.

The President and Vice-Chancellors' basic salary is 8.1 times (2023: 8.0 times) the median pay of staff (£32,323) (2023: £32,414) where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. All staff is defined as anyone included in the RTI submission to HMRC. Her total remuneration is 8.5 times (2023: 7.8 times) the median total remuneration of staff (£31,559) (2023: £35,543) calculated on a full-time equivalent basis including atypical staff. The median pay and pay ratios derived exclude agency staff (as these are not paid through the University payroll system).

Professor Duncan Ivison was appointed as President and Vice Chancellor on 1st August 2024. In advance of starting the role, he joined the university senior leadership team during July 2024. Remuneration and benefits paid during the year were £29.2k with respect to salary, £4k for employer pension contributions and £29.3k for relocation. These are included in the key management personnel compensation disclosure below.

	2024 £'000	2023 £'000
Amount of expenses claimed by members of the Board of Governors during the year	14	4
Number of members of the Board of Governors claiming expenses	11	3

### Key management personnel

Key management personnel are the members of the Senior Leadership Team as defined in the Remuneration Report on page 38 and comprising the President and Vice-Chancellor; Deputy President and Vice-Chancellor; the three Faculty Deans; the three Vice-Presidents of Policy (Teaching, Learning and Students; Research; and Social Responsibility); the Registrar and Chief Operating Officer; the Chief Financial Officer and the Director of People and Organisational Development.

Compensation paid to key management personnel (including the President and Vice-Chancellor) within the year was as follows:

	Consolidated and University	
	2024 £'000	2023 £'000
<b>Key management personnel</b>	<b>2,856</b>	<b>2,898</b>

The Remuneration Committee Report on page 37 sets out more detail in respect of senior staff pay.

	Consolidated and University	
	2024 £'000	2023 £'000
<b>Access and Participation staff costs</b>		
Access Investment	3,097	3,561
Disability Support	3,457	3,379
Research and Evaluation	812	735
	<b>7,366</b>	<b>7,675</b>

# Notes to the financial statements (continued)

Year ended 31 July 2023

8 Analysis of other operating expenses	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Academic and related expenditure	162,574	152,111	173,461	160,849
Central administration and services	126,525	134,933	124,566	135,754
Premises	97,857	93,178	95,943	91,168
Residences, catering and conferences	38,499	30,424	44,047	34,977
Research grants and contracts	76,714	75,240	76,714	75,240
Other expenses	1,510	858	1,298	1,049
	<b>503,679</b>	<b>486,744</b>	<b>516,029</b>	<b>499,037</b>

Lease payments recognised as an expense in the year amounted to £25.2m for the group (2023: £21.1m)

	2024 £'000	2023 £'000
Included within operating expenses are the following costs:		
Fees payable to the University's auditor for the audit of the University and its subsidiaries' annual accounts	221	210
Non-audit fees payable to the University's auditor	6	11
<b>Total fees</b>	<b>227</b>	<b>221</b>

The disclosures above are for the Group. The University is not required, in its individual financial statements, to disclose separately information about fees for non-audit services provided to the University.

	Consolidated	
	2024 £'000	2023 £'000
<b>Access and Participation Costs</b>		
Access Investment	3,587	4,012
Financial Support (i)	11,890	12,329
Disability Support (ii)	4,294	4,305
Research and Evaluation	826	744
	<b>20,597</b>	<b>21,390</b>

Included in these costs above is £7,367k (2023: £7,674k) which is disclosed in note 7 Staff costs.

(i) includes £86k (2023: £56k) of Hardship fund payments awarded to students who were eligible for the Manchester Bursary.

(ii) includes OfS Access and Success funding (including disabled students premium) of £1,675k (2023: £1,648k).

A copy of the 2023/24 APP plan can be found on our website.

## For Access Investment, Disability Support and Research and Evaluation

The University identified the proportions of staff time and non-staff resource required to support the governance, development, delivery and evaluation of these areas.

Using a standard template, a modelled costing of activity across all parts of the University was collected. They were required to identify all such activities that their teams undertook, reporting on time by staff member and expenses and a cost derived from this. This methodology has been previously verified and approved by the University's Planning and Resources Committee.

For activities that are of benefit to all students, a standard formula based on the number of Widening Participation (WP) students was used to estimate the percentage of expenditure which supports these students. This approach has previously been discussed with OfS (OFFA) who were supportive of this methodology.

## For Financial Investment

Payments made to students from the Manchester Bursary, Manchester Access Programme and University Hardship Fund were taken from the financial systems and were analysed to exclude those that are not eligible to be included in the return (e.g. those for ELQ students).

**Main differences to the Access and Participation Plan**

Financial support was higher than plan due to increased student numbers.

Increased spending on disability support is due to a higher number of students registering as disabled and accessing support - we continue to see growth in this number, which is currently the second highest in the Russell Group.

Access Investment spend is slightly lower due to the pausing of some activities during 23/24 and movement to prioritise student success activities.

Within Research and Evaluation there was lower spend on staff costs compared to plan due to vacancies, staff changes and resetting expectations on the delivery of new OfS requirements regarding Theory of Change.

9 Interest and other finance costs	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Other loans	17,915	17,909	17,915	17,909
Net interest cost on defined benefit pension	4,910	2,546	4,910	2,546
Unwinding of USS pension deficit funding	6,727	10,817	6,727	10,817
	<b>29,552</b>	<b>31,272</b>	<b>29,552</b>	<b>31,272</b>

10 Taxation	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Recognised in the Statement of comprehensive income</b>				
<b>Current tax</b>				
Current tax	(386)	(322)	(401)	(322)
<b>Current tax credit</b>	<b>(386)</b>	<b>(322)</b>	<b>(401)</b>	<b>(322)</b>
<b>Deferred tax</b>				
Origination and reversal of timing differences	-	-	-	-
Deferred tax credit	-	-	-	-
<b>Total tax credit</b>	<b>(386)</b>	<b>(322)</b>	<b>(401)</b>	<b>(322)</b>
<b>Tax received in year</b>	<b>(356)</b>	<b>(146)</b>	<b>(371)</b>	<b>-</b>

**Factors Affecting the tax charge:**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Surplus/(deficit) before taxation</b>	<b>356,559</b>	<b>106,932</b>	<b>358,093</b>	<b>106,108</b>
Surplus multiplied by the standard rate of corporation tax in the UK of 25% (2023: 21%)	89,139	22,456	89,523	22,283
Effect of:				
Surplus falling within charitable exemption	(89,523)	(22,283)	(89,523)	(22,283)
Museum and galleries tax credit claim	(401)	(322)	(401)	(322)
Other differences attributable to subsidiaries and associates	399	(173)	-	-
<b>Total tax credit</b>	<b>(386)</b>	<b>(322)</b>	<b>(401)</b>	<b>(322)</b>

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 Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by Sections 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.

## Notes to the financial statements (continued)

Year ended 31 July 2024

11 Intangible assets and goodwill	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Cost</b>				
At 1 August 2023	22,996	23,668	23,529	24,167
Assets transferred to other operating expenditure	(13)	(651)	(13)	(651)
Additions at cost	-	13	-	13
Disposals	(1,045)	(34)	(1,045)	-
At 31 July 2024	21,938	22,996	22,471	23,529
<b>Amortisation</b>				
At 1 August 2023	15,997	8,546	16,530	9,045
Amortisation	5,460	7,485	5,460	7,485
Disposals	(1,045)	(34)	(1,045)	-
At 31 July 2024	20,412	15,997	20,945	16,530
<b>Net book value</b>				
<b>At 31 July 2024</b>	<b>1,526</b>	<b>6,999</b>	<b>1,526</b>	<b>6,999</b>

Included in intangible assets and goodwill is Enil (2023: Enil) of software costs that are under development and therefore not yet being amortised.

12 Tangible fixed assets				
(a) Consolidated	Freehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
<b>Cost</b>				
At 1 August 2023	2,434,962	66,990	364,829	2,866,781
Transferred to other operating expenditure	-	(140)	-	(140)
Additions at cost	-	76,872	-	76,872
Transfers between categories	59,831	(88,722)	28,891	-
Disposals	-	-	(64,595)	(64,595)
At 31 July 2024	2,494,793	55,000	329,125	2,878,918
<b>Depreciation</b>				
At 1 August 2023	465,327	-	347,356	812,683
Charge for the year	64,845	-	27,168	92,013
Disposals	-	-	(64,595)	(64,595)
At 31 July 2024	530,172	-	309,929	840,101
<b>Net book value</b>				
<b>At 31 July 2024</b>	<b>1,964,621</b>	<b>55,000</b>	<b>19,196</b>	<b>2,038,817</b>
At 31 July 2023	1,969,635	66,990	17,473	2,054,098

<b>(b) University</b>	<b>Freehold land and buildings £'000</b>	<b>Assets under construction £'000</b>	<b>Fixtures, fittings, tools and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 August 2023	2,432,418	66,990	361,147	<b>2,860,555</b>
Transferred to other operating expenditure	-	(140)	-	<b>(140)</b>
Additions at cost	-	76,873	-	<b>76,873</b>
Transfers between categories	59,831	(88,722)	28,891	-
Disposals	-	-	(64,595)	<b>(64,595)</b>
At 31 July 2024	2,492,249	55,001	325,443	<b>2,872,693</b>
<b>Depreciation</b>				
At 1 August 2023	461,375	-	345,410	<b>806,785</b>
Charge for the year	64,845	-	26,942	<b>91,787</b>
Disposals	-	-	(64,595)	<b>(64,595)</b>
At 31 July 2024	526,220	-	307,757	<b>833,977</b>
<b>Net book value</b>				
<b>At 31 July 2024</b>	<b>1,966,029</b>	<b>55,001</b>	<b>17,686</b>	<b>2,038,716</b>
At 31 July 2023	1,971,043	66,990	15,737	<b>2,053,770</b>

The University and its subsidiaries revalued some of its land and buildings on a fair value basis as at 31 July 2014, taking advantage of the transitional provisions of FRS 102 section 35.10. The University appointed Gerald Eve LLP, an independent external valuer which is regulated by the Royal Institution of Chartered Surveyors. The valuation was performed in accordance with the RICS Valuation – Professional Standards April 2015. In accordance with the FRS 102 transitional provisions these revised values are now used as the deemed cost of certain land and buildings going forward.

At 31 July 2024, freehold land and buildings included £219.8m (2023: £219.8m) in respect of freehold land which is not depreciated.

The gain on disposal of fixed assets for the year ended 31 July 2024 was £nil (2023 : £nil).

Included within disposals are older assets at a cost of £51.3m which have been fully depreciated and are no longer considered in use.

### 13 Heritage assets

The University revalued some of its heritage assets on a fair value basis as at 31 July 2014, taking advantage of the transitional provisions of FRS 102 section 35.10. The University appointed Sothebys, an independent external valuer. In accordance with the FRS 102 transitional provisions these revised values are now used as the deemed cost of certain heritage assets going forward. Heritage assets held at cost or valuation are not depreciated due to their indefinite life and high residual value.

Movement on heritage assets during 2023/24 was as follows:

<b>Consolidated and University Cost</b>	<b>2024 £'000</b>	<b>2023 £'000</b>	<b>2022 £'000</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
At 1 August	258,411	258,129	257,979	257,637	257,539
Additions:					
Acquisitions purchased with specific donations	60	-	-	-	-
Acquisitions purchased with Endowment funds	-	282	150	275	-
Acquisitions purchased with University funds	-	-	-	67	98
Total cost of acquisition purchased	60	282	150	342	98
Additions	-	-	-	-	-
Total acquisitions capitalised	60	282	150	342	98
<b>At 31 July</b>	<b>258,471</b>	<b>258,411</b>	<b>258,129</b>	<b>257,979</b>	<b>257,637</b>

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 13 Heritage assets continued

The University also holds heritage assets that are not capitalised as, due to their unique nature, reliable information on cost or valuation is not readily available on a cost-benefit basis. This is owing to the lack of information on original purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred. Key heritage assets held by the University fall into the categories detailed below. Their total value for insurance purposes is £1.4bn.

### Whitworth Art Gallery

Whitworth Art Gallery houses and displays collections including flat textiles ranging from 3rd Century AD to the present day; 17th century to modern day wallpapers; selections of prints, pre-1880 watercolours and modern art and sculpture collections.

### Manchester Museum

The Manchester Museum houses and displays various artefacts and fossils, in particular it has a substantial collection of ancient Egyptian artefacts as part of its archaeology collection. It also houses and displays collections in the fields of botany, anthropology and palaeontology as well as collections of rocks and minerals for example.

### John Rylands Library Deansgate

John Rylands Library at Deansgate, Manchester is a Grade 1 listed building from the late 1800s styled in Victorian Gothic architecture. The building also houses and displays a rare collection of more than a million ancient books and manuscripts, including the oldest known piece of the New Testament, first editions by William Shakespeare and medieval manuscripts.

### Jodrell Bank

The University owns the 76 metre Lovell telescope sited at Jodrell Bank in Cheshire and a UNESCO World Heritage Site. It was built in 1957, is a grade 1 listed building and remains one of the most powerful radio telescopes in the world. It is still in operation as a working telescope.

### Tabley House

The University also owns Tabley House, an 18th century Palladian mansion in Cheshire. The house is let on a long-lease of 125 years to a third party. Part of the house is open to the public and houses and displays various painting and furniture collections from that era.

### Policy for management, preservation, acquisition and disposal of assets

The collections are managed by dedicated directors at each site. They are supported by a team of highly skilled and experienced curators who have responsibility over specialised areas of the collections.

The condition of the assets is maintained through a programme of effective collection care to reduce damage and deterioration by reducing risk from physical damage (including handling), theft and vandalism, fire and water/flood, inappropriate relative humidity and temperature, light, pollutants and museum pests. A rolling programme of remedial conservation is ongoing to stabilise assets which may be deteriorating over time.

Further information on the University's policies regarding conservation, preservation, management and disposal of heritage assets can be found on the University's website [www.manchester.ac.uk/discover/open-public](http://www.manchester.ac.uk/discover/open-public).

Each site maintains extensive databases which itemise the assets held, and online databases of the assets held at The Manchester Museum, The Whitworth Art Gallery and John Rylands Library are freely available to the general public.

For more details of the collection held at:

- The Manchester Museum please see [www.museum.manchester.ac.uk/collection](http://www.museum.manchester.ac.uk/collection)
- The John Rylands Library please see [www.library.manchester.ac.uk/rylands/special-collections/search](http://www.library.manchester.ac.uk/rylands/special-collections/search)
- The Whitworth Art Gallery please see [www.whitworth.manchester.ac.uk/collection](http://www.whitworth.manchester.ac.uk/collection)

Public access to the collections is delivered in a variety of ways:

- Gallery displays and a combination of permanent and temporary exhibitions at each site.
- Education and outreach activities such as school trips.
- Access by researchers and interested groups/individuals by arrangement.
- Loans out to UK and international museums and galleries, or other venues.

The directors at each site, in partnership with their curators, are responsible for the identification and purchase of further items to further enhance the cultural value of the collections to both students and the wider general public.

14 Non current investments	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Analysis of closing balance</b>				
Interest in subsidiary undertakings (14a)	-	-	1,894	1,895
Investment properties (14b)	2,511	2,711	2,511	2,711
Investments carried at fair value through the Statement of Comprehensive Income (14c)	232,006	215,745	232,006	215,745
Investments held at cost less impairment (14d)	117	120	117	120
	<b>234,634</b>	<b>218,576</b>	<b>236,528</b>	<b>220,471</b>

**Movement in year**

Consolidated	Investment in subsidiary undertakings £'000	Investment properties £'000	Investments carried at fair value £'000	Investments held at cost less impairment £'000	Total £'000
At 1 August 2023	-	2,711	215,745	120	218,576
Additions	-	-	328	866	1,194
Disposals	-	-	(2,334)	(351)	(2,685)
Revaluation of investment properties	-	(200)	-	-	(200)
Net appreciation of investment portfolio and other listed investments	-	-	18,335	-	18,335
Reclassification between categories	-	-	(67)	67	-
Impairment provision in the year	-	-	(1)	(585)	(586)
<b>At 31 July 2024</b>	<b>-</b>	<b>2,511</b>	<b>232,006</b>	<b>117</b>	<b>234,634</b>

University	£'000	£'000	£'000	£'000	£'000
At 1 August 2023	1,895	2,711	215,745	120	220,471
Additions	-	-	328	866	1,194
Disposals	(1)	-	(2,334)	(351)	(2,686)
Revaluation of investment properties	-	(200)	-	-	(200)
Net appreciation of investment portfolio	-	-	18,335	-	18,335
Reclassification between categories	-	-	(67)	67	-
Impairment provision in the year	-	-	(1)	(585)	(586)
<b>At 31 July 2024</b>	<b>1,894</b>	<b>2,511</b>	<b>232,006</b>	<b>117</b>	<b>236,528</b>

## Notes to the financial statements (continued)

Year ended 31 July 2024

### 14 Non current investments (continued)

#### (a) Interests in subsidiary undertakings

At year end, investments in subsidiary undertakings after provisions comprise:

	Group Holding %	University		Description
		2024 £	2023 £	
UMIST Ventures Limited	100	-	1	Dissolved 4 July 2023
University of Manchester Innovation Factory Limited	100	<b>50,000</b>	50,000	Management of intellectual property
The University of Manchester Conferences Limited	100	<b>2</b>	2	Provision of catering staff
The University of Manchester Car Parks Limited	100	<b>2</b>	2	Maintenance and running of car park facilities
The University of Manchester Licensing Company Limited	100	-	1,000	Dissolved 18th July 2023
Vumpine Limited	50	<b>50</b>	50	Dormant
UMSS Limited	100	<b>2</b>	2	To undertake the duty of trustee of UMSS
The University of Manchester Worldwide Limited	100	<b>1,843,722</b>	1,843,722	Holding company
The University of Manchester Worldwide (Shanghai) Limited*	100	-	-	Consultancy and management services
Manchester Business School America Inc*	100	-	-	Dormant
Manchester Worldwide Institute of Higher Education (South East Asia) Ptd Ltd*	100	-	-	Provision of distance learning
Manchester Worldwide PTE Ltd*	100	-	-	Dormant
The University of Manchester (CLG)	100	-	-	Dormant
Owens College (CLG)	100	-	-	Dormant
Owens College Manchester (CLG)	100	-	-	Dormant
Manchester University (CLG)	100	-	-	Dormant
UMIST (CLG)	100	-	-	Dormant
		<b>1,893,778</b>	<b>1,894,779</b>	

Certain subsidiary undertakings above are shown as having nil cost of investment. In each case these are either indirectly owned as indicated, are limited by guarantee ('CLG') or are trusts.

Where applicable, the 'group holding' is equivalent to the proportion of voting rights and shares held.

All the subsidiary undertakings are incorporated in England and Wales, with the exception of the subsidiaries of The University of Manchester Worldwide Limited, which are identified by an asterisk (\*).

All subsidiary undertakings prepare statutory accounts to the same year end date as the University with the exception of the Shanghai entity which has a year end date of 31 December.

**14 Investments within fixed assets (continued)****(b) Investment properties**

The investment properties totalling £2.5m (2023: £2.7m) were revalued on an open market basis as at 31 July 2015 by an external valuer, Edward Symmons LLP which is regulated by the Royal Institution of Chartered Surveyors. The valuation was performed in accordance with the RICS Valuation - Professional Standards 2014. This valuation has been updated as at 31 July 2024 by senior management at the University and there has been a decrease in value of £0.2m.

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>(c) Investments carried at fair value</b>				
Listed investments	227,947	211,686	227,947	211,686
Other investments	4,059	4,059	4,059	4,059
	<b>232,006</b>	<b>215,745</b>	<b>232,006</b>	<b>215,745</b>
<b>(d) Investments carried at cost less impairment</b>				
Other investments	117	120	117	120
	<b>117</b>	<b>120</b>	<b>117</b>	<b>120</b>

**15 Investments in Associates**

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Analysis of closing balance</b>				
At 1 August 2023	11,539	11,015	-	-
Share of (losses)/profits	(2,322)	524	-	-
Provision against investments	-	-	-	-
<b>At 31 July 2024</b>	<b>9,217</b>	<b>11,539</b>	<b>-</b>	<b>-</b>

The Group had the following associated undertakings as at 31 July 2024:

Name of associate	Class of share capital held	Proportion held by the University and Group	Share of net assets	Share of net assets
			2024 £'000	2023 £'000
Manchester Science Partnerships Limited	£1 ordinary	12.2%	9,781	11,712
Financial year end 30 September				
ID Manchester (trading as Sister)	£1 ordinary	35%	(564)	(173)
Financial year end 30 September				
			<b>9,217</b>	<b>11,539</b>

The associated companies are accounted for using the equity method. All associated companies are incorporated in the United Kingdom.

## Notes to the financial statements (continued)

Year ended 31 July 2024

16 Trade and other receivables	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade receivables	65,659	51,087	65,618	51,044
Other receivables	4,143	2,124	3,501	1,759
Accrued income on research grants and contracts	67,569	84,317	67,569	84,317
Prepayments and other accrued income	62,411	54,350	61,962	53,950
Amounts due from subsidiary companies	-	-	1,668	1,200
Amounts due from associate companies and spin outs	450	150	450	150
	<b>200,232</b>	<b>192,028</b>	<b>200,768</b>	<b>192,420</b>

There are no debtors due in over one year on both a consolidated and University only basis in the current and prior year.

17 Current investments	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Deposits maturing:				
Between three months and one year	300,000	270,000	300,000	270,000
<b>Balance at 31 July 2024</b>	<b>300,000</b>	<b>270,000</b>	<b>300,000</b>	<b>270,000</b>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2024 the weighted average interest rate of these fixed rate deposits was 5.23% per annum (2023: 4.91%) and the weighted average period for which the interest rate is fixed on these deposits was 131 days (2023: 67 days). The fair value of these deposits was not materially different from the book value.

18 Payables: amounts falling due within one year	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade payables	66,318	54,543	66,168	54,414
Social security and other taxation payable	15,262	13,971	15,198	13,839
Amounts owed to group undertakings	-	-	465	771
Other payables	37,063	39,528	36,475	38,725
Deferred income on research	178,038	193,499	178,038	193,499
Accruals and other deferred income	170,118	173,359	169,332	172,814
	<b>466,799</b>	<b>474,900</b>	<b>465,676</b>	<b>474,062</b>

Accruals and deferred income includes an amount of £nil (2023 : £0.05m) in respect of the Alan Turing Institute, which is a commitment that the University has entered into over 5 years. The Institute is required to spend the funds for the purposes for which they were awarded.

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

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Donations	844	784	844	784
Grant income (excluding research)	37,083	37,040	37,083	36,984
Other income	71,556	62,261	71,556	62,195
	<b>109,483</b>	<b>100,085</b>	<b>109,483</b>	<b>99,963</b>

19 Payables: amounts falling due after more than one year	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Other loans	394,056	393,931	394,056	393,931
	<b>394,056</b>	<b>393,931</b>	<b>394,056</b>	<b>393,931</b>

20 Borrowings	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Unsecured borrowings at amortised cost:				
Bond	294,470	294,359	294,470	294,359
Other loans	99,586	99,572	99,586	99,572
	<b>394,056</b>	<b>393,931</b>	<b>394,056</b>	<b>393,931</b>
Analysis of unsecured loans:				
Due in five years or more	394,056	393,931	394,056	393,931
	<b>394,056</b>	<b>393,931</b>	<b>394,056</b>	<b>393,931</b>

### Bond

In July 2013 an unsecured fixed rate public bond was issued for the sum of £300 million over a 40 year term with a coupon rate of 4.25%. It is listed on the London Stock Exchange. The bond is repayable by one payment when it matures in 2053.

The bond transaction costs of £7.5m are amortised over the life of the bond and charged to interest costs.

The University may, at its option, redeem some or all of the bond at the Redemption Price together with interest accrued to the date of redemption. The 'Redemption Price' shall be the higher of (a) the principal amount of the bond to be redeemed and (b) the product of the principal amount of the bond to be redeemed and the sum of the Gross Redemption Yield (4.25% Treasury Stocks due December 2055) and 0.15%.

### Unsecured bank facilities and other loans

Other loans with an interest rate of 5.04%, repayable by one repayment falling due in 2046 totalling £99.6m (2023: £99.6m).

The University has in place a three year Revolving Credit Facility (RCF) of £150m which expires on 18th March 2026. The University has not yet needed to draw down against this facility.

Since the year end, a replacement seven year RCF out to 2031 has been negotiated and the facility agreement has been approved by all parties, see note 32.

## Notes to the financial statements (continued)

Year ended 31 July 2024

### 21 Provisions for liabilities

	Obligation to fund deficit on USS pension £'000	Defined benefit obligations (Note 25) £'000	Total pensions provisions £'000	Other provisions £'000	Total £'000
<b>(a) Consolidated</b>					
<b>Balance at 1 August 2023</b>	292,469	108,790	401,259	30,253	<b>431,512</b>
Utilised during the year	(9,132)	(24,878)	(34,010)	(17,517)	<b>(51,527)</b>
Additions in year	-	-	-	18,509	<b>18,509</b>
Charged to the Statement of Comprehensive Income	(283,337)	27,688	(255,649)	-	<b>(255,649)</b>
<b>Balance at 31 July 2024</b>	<b>-</b>	<b>111,600</b>	<b>111,600</b>	<b>31,245</b>	<b>142,845</b>

	Obligation to fund deficit on USS pension £'000	Defined benefit obligations (Note 25) £'000	Total pensions provisions £'000	Other provisions £'000	Total £'000
<b>(b) University</b>					
<b>Balance at 1 August 2023</b>	292,469	108,790	401,259	30,253	<b>431,512</b>
Utilised during the year	(9,132)	(24,878)	(34,010)	(17,517)	<b>(51,527)</b>
Additions in year	-	-	-	18,509	<b>18,509</b>
Charged to the Statement of Comprehensive Income	(283,337)	27,688	(255,649)	-	<b>(255,649)</b>
<b>Balance at 31 July 2024</b>	<b>-</b>	<b>111,600</b>	<b>111,600</b>	<b>31,245</b>	<b>142,845</b>

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arose from the contractual obligation with the USS to make deficit payments in accordance with the deficit recovery plan. This contractual obligation ended in December 2023. As such, the provision for the University's obligation to fund the deficit on the USS pension was released during 2024 and there is no further requirement for a provision.

In calculating this provision in 2023, management estimated future staff levels within the USS for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 25(a).

The major assumptions used to calculate the obligation were:

	2024	2023
Discount rate	<b>Not applicable</b>	5.52%
Salary growth	<b>Not applicable</b>	6.4% for the first year and then 3.9% thereafter

#### Other provisions

Other provisions includes the following: £0.1m provision relating to the exit from the North Campus (2023: £6.8m); £8.8m in relation to provisions for onerous contracts (2023: £10.5m), £15.7m in relation to demolition works associated with the University's residences strategy and wider University estate (2023: £9.7m), £5.8m in relation to the clawback of grant funding (2023: £nil) and £0.8m decommissioning costs provision (2023: £0.8m).

**22 Endowment Reserves (Consolidated and University)**

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Unrestricted permanent endowments £'000	Expendable endowments £'000	2024 Total £'000
<b>Balances as at 1 August 2023</b>				
Capital	138,659	14,357	55,031	<b>208,047</b>
Accumulated income	9,869	-	3,708	<b>13,577</b>
	148,528	14,357	58,739	<b>221,624</b>
New endowments	-	-	2,013	<b>2,013</b>
Reclassification of endowments:				
Capital	(4,162)	(7,004)	11,166	-
Accumulated income	(1,051)	(4)	1,055	-
Investment income	3,431	192	1,703	<b>5,326</b>
Expenditure from capital and income	(2,405)	(188)	(4,321)	<b>(6,914)</b>
	(4,187)	(7,004)	11,616	<b>425</b>
Increase in market value of investments	11,892	1,236	5,055	<b>18,183</b>
<b>At 31 July 2024</b>	<b>156,233</b>	<b>8,589</b>	<b>75,410</b>	<b>240,232</b>
Represented by:				
Capital	146,390	8,589	70,810	<b>225,789</b>
Accumulated income	9,843	-	4,600	<b>14,443</b>
	<b>156,233</b>	<b>8,589</b>	<b>75,410</b>	<b>240,232</b>
The following assets are currently held relating to endowments:				
Investments	129,902	7,622	62,837	<b>200,361</b>
Property	16,488	967	7,973	<b>25,428</b>
Cash	9,843	-	4,600	<b>14,443</b>
	<b>156,233</b>	<b>8,589</b>	<b>75,410</b>	<b>240,232</b>

**Major endowments**

There are no charitable funds that are over 5% of net assets. Set out below are details of material charitable funds.

	Capital Value at 31 July 2024 £'000	Opening accumulated income £'000	Dividend income £'000	Expenditure from income £'000	Endowment transfers £'000	Closing accumulated Income £'000
<i>Significant funds and charities which are over 1% of net assets</i>						
Hallsworth Fund	39,025	880	917	(650)	-	1,147
Simon Fund	20,790	437	488	(499)	-	426
<i>Funds and charities which are less than 1% of net assets</i>						
Fellowships and scholarships (30 funds)	29,993	2,114	714	(612)	(138)	2,078
Prize funds (7 funds)	3,325	260	78	(78)	(4)	256
Chairs and lectureships (14 funds)	31,975	1,571	751	(503)	(194)	1,625
Other (68 funds)	100,681	8,315	2,378	(2,118)	336	8,911
	<b>225,789</b>	<b>13,577</b>	<b>5,326</b>	<b>(4,460)</b>	<b>-</b>	<b>14,443</b>

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 22 Endowment Funds (Continued)

With effect from the 1st August 2024, the University of Manchester has adopted a Total Return policy for the University's permanent endowment assets, as permitted under s.104A(2) of the Charities Act 2011.

### Hallsworth Fund

This restricted permanent endowment is to assist and advance the study of Political Economy by the establishment of Research Fellowships and Visiting Professorships. It also provides resources to assist projects of research in Political Economy and the publication of books and documents in that field. The original governing document of this endowment was altered by the Charity Commission in 1998. The management and administration of this Fund is run by the Hallsworth Committee which is appointed as trustee by the Board of Governors.

### Simon Fund

This restricted permanent endowment, operated by the Simon Fund Committee, primarily funds the appointment of Fellowships and Visiting Professorships in the field of Social Sciences, Professorial Industrial and Professorial Fellowships and Engineering Research Scholarships. Its purpose is also to promote research and teaching in the Social Sciences and a substantial portion of the income is to be used for Senior Fellowships. It also funds various ad hoc projects approved by the Simon Fund Committee.

## 23 Restricted Reserves (University and Consolidated)

Reserves with restrictions are as follows:

	Capital Grants Unspent	Other Restricted Funds/ Donations	Total
	£'000	£'000	£'000
Balance as at 1 August 2023	-	454	454
New donations with restrictions	-	993	993
Expenditure	-	(273)	(273)
<b>Balance as at 31 July 2024</b>	<b>-</b>	<b>1,174</b>	<b>1,174</b>

## 24 Financial Instruments

	Consolidated		University	
Categories of financial instruments	2024 £'000	2023 £'000	2024 £'000	2023 £'000
<b>Financial assets</b>				
<i>Financial assets at fair value through Statement of Consolidated Income</i>				
Listed investments	227,947	211,686	227,947	211,686
Other investments	4,059	4,059	4,059	4,059
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other investments	117	120	117	120
<i>Financial assets that are debt instruments measured at amortised cost</i>				
Bank and building society deposits maturing between 3 months and one year	300,000	270,000	300,000	270,000
Cash and cash equivalents	188,877	173,375	179,601	165,527
Trade and other receivables	70,252	53,361	71,237	54,153
	<b>791,252</b>	<b>712,601</b>	<b>782,961</b>	<b>705,545</b>
<i>Financial liabilities measured at amortised cost</i>				
Loans	394,056	393,931	394,056	393,931
Trade and other payables	103,381	94,071	103,108	93,910
	<b>497,437</b>	<b>488,002</b>	<b>497,164</b>	<b>487,841</b>

## 24 Financial Instruments (Continued)

### Financial Risk Management

The University's Treasury function monitors and manages the financial risks relating to our operations through internal risk reports, which analyse exposure by degree and magnitude of risks.

The University does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the University. The credit risk on liquid funds and financial instruments is limited because the University's exposure is to counterparties with high credit ratings which have been assigned by international credit-rating agencies. The exposure and the credit ratings of the University's counterparties, are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by Finance Committee.

Trade receivables consist of a large number of customers, spread across diverse sectors, populations and geographical areas.

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Governors, which has built an appropriate liquidity risk management framework for the management of the University's short, medium and long-term funding and liquidity management requirements.

The University manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of certain financial assets and liabilities.

The Office for Students (OfS) requires universities to report if their liquidity falls below 30 days operating expenditure on a rolling twelve month basis. Access to sufficient facilities such as a revolving credit facility fall within the OfS definition of liquidity. The University continually monitors its cash flow forecasts against this requirement.

### Price and interest rate risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. Listed investments with a fair value of £227.9m are exposed to price risk but this exposure is within the University's risk appetite. The University has forward contracts in place for its energy out to March 2026, with the potential to extend for a further two years, depending upon operational requirements.

The University held £300m deposit investments with more than three months and less than twelve months maturity at the year end. The majority of deposits are subject to fixed interest rates and are therefore not subject to any significant exposure to fluctuating rates.

The University long-term borrowings are based on fixed rates until maturity. The RCF (as yet unutilised) is on a floating rate basis and so will be exposed to interest rate movements.

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 25 Pension schemes

Different categories of staff contributed to one of six different schemes:

- Universities Superannuation Scheme (USS)
- University of Manchester Superannuation Scheme (UMSS)
- Greater Manchester Pension Fund (GMPF)
- National Health Service Pension Scheme (NHSPS)
- University of Manchester Pension Saver (UoMPS)
- Nest Scheme

According to the requirements of FRS102 (28), the net pension costs within the year, and movement within the pension schemes in the year are as follows:

	Consolidated		University	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
<b>Statement of Comprehensive Income - net pension cost in year</b>				
USS	93,921	62,085	93,070	61,292
UMSS	11,443	17,281	11,443	17,281
GMPF	670	858	670	858
NHSPS	3,848	3,548	3,848	3,548
UoMPS	10,497	7,900	10,185	7,693
Other	67	61	67	61
<b>Pension costs within on-going staff costs (note 7)</b>	<b>120,446</b>	<b>91,733</b>	<b>119,283</b>	<b>90,733</b>
Change in USS deficit recovery plan	(299,195)	-	(299,195)	-
<b>Net pension costs shown separately on the face of the Statement of Comprehensive Income</b>				
Net interest income on defined benefit pension (note 5)	(2,741)	(1,344)	(2,741)	(1,344)
Net Interest cost on defined benefit pension (note 9)	4,910	2,546	4,910	2,546
Unwinding of USS deficit (note 9)	6,727	10,817	6,727	10,817
<b>Total pension costs</b>	<b>(169,853)</b>	<b>103,752</b>	<b>(171,016)</b>	<b>102,752</b>
<b>Other comprehensive income - actuarial gain in respect of pension schemes</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000	£'000	£'000
UMSS	(10,079)	(27,753)	(10,079)	(27,753)
GMPF	(3,437)	(1,651)	(3,437)	(1,651)
	<b>(13,516)</b>	<b>(29,404)</b>	<b>(13,516)</b>	<b>(29,404)</b>
<b>Balance sheet - Pension scheme deficits (note 21)</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	£'000	£'000	£'000	£'000
UMSS	110,731	107,811	110,731	107,811
GMPF	869	979	869	979
	<b>111,600</b>	<b>108,790</b>	<b>111,600</b>	<b>108,790</b>

### (a) The Universities Superannuation Scheme

The institution participates in the Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related 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.

Given 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 Consolidated Statement of Comprehensive Income 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

**25 Pension schemes (Continued)****(a) The Universities Superannuation Scheme (cont'd)**

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 in the Consolidated Statement of Comprehensive Income.

The total cost charged to the Consolidated Statement of Comprehensive Income is £93.9m (2023: £62.1m) including PensionChoice and the change in the deficit provision (2023 only).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 21, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the Statement of comprehensive income.

As at 31 July 2024 the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme at the year end date was as at 31 March 2023 ("the valuation date"), which was carried out using the projected unit method.

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

The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)). ([www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://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: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption + 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum increase of 10%): CPI assumption minus 3bps

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

**2023 valuation**

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, 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:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 25 Pension schemes (Continued)

### (b) NHS Pension Scheme ('NHSPS')

The University of Manchester also participates in the NHSPS. The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

Past and present employees are covered by the provisions of three NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/nhs-pensions](http://www.nhsbsa.nhs.uk/nhs-pensions). All are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme.

The latest actuarial valuation undertaken for the NHS Pension Scheme as at 31 March 2020 was completed at 19 October 2023. The results of this valuation set the headline employer contribution rate payable from April 2024 to 23.78% of pensionable pay (including an 0.08% levy to the NHSBSA for the administration of the Scheme). As part of the completion of the 2016 valuation, medical schools across England and Wales received funding support paying the previous contribution of 14.3%, plus an additional 1.8% (16.1% overall, compared to the headline contribution rate of 20.6%). Following the completion of the 2020 valuation, confirmation was received that medical schools across England and Wales would continue to receive funding support representing 2.64% of the 3.1% rise in the employer contribution rate which is expected to remain until at least the next spending review (end of the NHSPS 24-25 financial year). As such the employer contribution rate that the University pays is 16.64% (including an 0.08% levy to the NHSBSA for the administration of the Scheme). The balance between 23.78% and what the University pays is settled centrally by NHS England.

The 2020 funding valuation also tested the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. Whilst the core cost cap fell below the cost cap floor, the economic cost cap cost did not fall below the cost cap floor, which as a result meant the scheme overall did not fall below the cost cap floor and there was no requirement for the Secretary of State for Health and Social Care to consult on any changes to benefits and/ or contribution rates. The 2020 valuation report can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/information-about-nhs-pensions/nhs-pension-scheme-accounts-and-valuation-reports](http://www.nhsbsa.nhs.uk/information-about-nhs-pensions/nhs-pension-scheme-accounts-and-valuation-reports).

The total pension cost for the University of Manchester was £3.8m (2023: £3.6m).

### (c) University of Manchester Pension Saver

This is a Defined Contribution Scheme that was set up with effect from 1 January 2019 following the restructure of the UMSS scheme and its closure to new joiners (see note 25 (d)). The Pension Saver is run by Legal and General as a group personal pension scheme.

All new employees that were previously entitled to join UMSS are now automatically enrolled in the Pension Saver. The default position is that employees pay contributions of 4% of pensionable salary and the University pays 13.5%. Alternatively employees can contribute 0% to 7% and the University will contribute 9.5% to 16.5% dependent upon level of employee contributions.

The total consolidated pension cost for the University of Manchester was £10.5m (2023: £7.9m).

### (d) University of Manchester Superannuation Scheme

UMSS is a defined benefit scheme in the UK. The benefits were restructured with effect from 1 January 2019. The final salary section (1/80th final pensionable salary and 3/80th cash) and the Career Average Revalued Earnings (CARE) section (1/80th and 3/80th cash) were closed on 31 December 2018. All existing UMSS members now receive a defined benefit provision under a new 1/100th pension plus 3/100th cash CARE section with effect from 1 January 2019. The scheme is closed to new joiners, who now join a new defined contribution (DC) scheme called the University of Manchester Pension Saver - see note 25 (c).

A full actuarial valuation was carried out at 31 July 2022 and the most recent full valuation agreed in October 2023 showed a deficit of £76.3m. The University has agreed with the Trustee that it will eliminate the deficit over a period of 6 years to 1 November 2029 by the payment of annual contributions of £8.384m per annum, payable quarterly and increasing at the fixed rate of 3.5% each 1 August. The University has agreed to pay contributions at the rate of 24.6% of pensionable pay for CARE members who participate in PensionChoice and 18.1% of pensionable pay for those who do not. The University also agreed to increase its contribution paid in respect of expenses, increasing from £1.7m per annum to £2.1m per annum effective from 1 August 2024.

The best estimate of contributions to be paid by the University and its subsidiaries to the scheme for the year commencing 1 August 2024 is £23.3m (2023: £22.2m)

The full actuarial valuation was updated to 31 July 2024 on an FRS 102 (28) basis by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are detailed opposite on page 83:

**25 Pension schemes (Continued)**

<b>(d) University of Manchester Superannuation Scheme (cont'd)</b>	<b>2024</b>	2023
Discount rate	<b>4.95%</b>	5.05%
Inflation (RPI)	<b>3.20%</b>	3.20%
Inflation (CPI)	<b>2.85%</b>	2.80%
Salary growth	<b>4.4% for the first year, 4.9% for the second and then 3.9% thereafter</b>	6.4% for the first year and then 3.9% thereafter
Allowance for revaluation of deferred pensions of RPI or 5% if more	<b>3.20%</b>	3.20%
Allowance for revaluation of deferred pensions of CPI or 5% if more	<b>2.85%</b>	2.80%
CARE revaluation of CPI or 5% if more	<b>2.76%</b>	2.69%
Allowance for pension in payment increases of RPI or 5% if more	<b>2.94%</b>	2.89%
Allowance for pension in payment increases of CPI or 5% if more	<b>2.76%</b>	2.69%
Allowance for pension in payment increases of CPI or 3% if more	<b>2.16%</b>	2.04%
Allowance for commutation of pension for cash at retirement	<b>No allowance</b>	No allowance
The mortality assumptions adopted imply the following life expectancies:	<b>2024</b>	2023
	<b>Life expectancy at age 62 Years</b>	Life expectancy at age 62 Years
Male retiring in 2024	<b>21.3</b>	22.2
Female retiring in 2024	<b>24.5</b>	24.9
Male retiring in 2044	<b>22.4</b>	23.2
Female retiring in 2044	<b>25.7</b>	26.2

The assets and liabilities within the scheme at 31 July were as follows:	<b>2024</b>	2023
	<b>£'000</b>	£'000
Cash and cash equivalents	<b>15,316</b>	-
Equities	<b>68,059</b>	122,075
Bonds	<b>271,764</b>	211,829
Property	<b>99,611</b>	105,806
Fair value of scheme assets	<b>454,750</b>	439,710
Present value of defined benefit obligation	<b>(565,481)</b>	(547,521)
<b>Deficit in the scheme</b>	<b>(110,731)</b>	<b>(107,811)</b>

The pension scheme has not invested in any of the University's own financial instruments or in properties or other assets used by the group. The amounts recognised in the group statement of comprehensive income and expenditure are analysed as follows:

	<b>2024</b>	2023
	<b>£'000</b>	£'000
<i>Recognised in Statement of Comprehensive Income:</i>		
Current service cost	<b>9,082</b>	15,594
Expenses	<b>2,361</b>	1,687
<b>Total operating charge</b>	<b>11,443</b>	17,281
Net interest cost	<b>4,910</b>	2,546
<b>Total recognised in surplus for the year</b>	<b>16,353</b>	<b>19,827</b>
<i>Taken to Other Comprehensive Income:</i>		
Return on scheme assets (excluding amounts included in net interest cost)	<b>(6,524)</b>	(226,548)
Experience gains and losses	<b>1,669</b>	(26,986)
Remeasurements - changes in demographic and financial assumptions	<b>(5,224)</b>	225,781
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(10,079)</b>	<b>(27,753)</b>

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 25 Pension schemes (Continued)

### (d) University of Manchester Superannuation Scheme (cont'd)

<b>Reconciliation of opening and closing balances of the defined benefit obligation</b>	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>At start of year</b>	<b>547,521</b>	725,475
Current service cost	<b>9,082</b>	15,594
Interest expense	<b>27,100</b>	25,042
Contributions by scheme participants	<b>273</b>	348
Actuarial losses/(gains)	<b>3,555</b>	(198,795)
Benefits paid	<b>(22,050)</b>	(20,143)
Increase due to effect of transfers	-	-
<b>At end of year</b>	<b>565,481</b>	<b>547,521</b>

The English High Court ruling in Lloyds Banking Group Pension Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods for equalisation.

The Trustee of the Scheme is in the process of enacting this equalisation and has agreed with the employer to use Method B. An allowance for the additional liabilities as a result of this ruling is included within the defined benefit obligation.

The defined benefit cost for the year ended 31 July 2024 includes an estimated past service cost of £345,000 (2023: £345,000) in respect of a plan amendment. This has arisen following a High Court case on 20 November 2020 which ruled that transfers out of the Plan, between 17 May 1990 and 28 October 2018, need to be revisited and equalised for GMP (if applicable).

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might now be considered invalid, leading to additional, unforeseen liabilities.

Investigation into historic Scheme amendments for the University of Manchester Superannuation Scheme remains ongoing and therefore the amount of any potential impact on the Defined Benefit Obligation cannot be confirmed and / or measured with sufficient reliability at the 2024 year end. We are therefore disclosing this issue as a potential contingent liability at the 2024 year end (Note 30) and will review again at the 2025 year end when we expect further clarity to be available.

<b>Reconciliation of opening and closing balances of the fair value of scheme assets</b>	<b>2024</b>	2023
	<b>£'000</b>	£'000
<b>At start of year</b>	<b>439,710</b>	641,696
Administrative expenses paid from plan assets	<b>(2,361)</b>	(1,687)
Interest income	<b>22,190</b>	22,496
Actuarial losses	<b>(6,524)</b>	(226,548)
Contributions by the University and subsidiaries	<b>23,512</b>	23,548
Contributions by scheme participants	<b>273</b>	348
Benefits paid	<b>(22,050)</b>	(20,143)
<b>At end of year</b>	<b>454,750</b>	<b>439,710</b>

The actual return on the scheme assets over the year ended 31 July 2024 was £15.7m (2023: Loss £204.0m).

### Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the UMSS pension liability. The sensitivity of the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31 July 2024</b>	<b>Approximate impact on defined benefit obligation</b>
0.5% decrease in discount rate	£0.6m increase
0.25% pa increase in inflation linked assumptions	£0.6m increase
One year increase in life expectancy	£0.6m increase

**25 Pension schemes (Continued)****(d) University of Manchester Superannuation Scheme (cont'd)**

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes it is estimated that a one year increase in life expectancy would increase the University's defined benefit obligation by around 2% - 3%.

**(e) Greater Manchester Pension Fund (GMPF)**

The GMPF is a career average revalued earnings (CARE) defined benefit scheme and a separate fund within the local government pension scheme (LGPS). The LGPS is regulated by statute, with separate regulations for England and Wales and for Scotland. The benefits of LGPS funds are determined nationally by regulation and meet the definition of a defined benefit scheme. LGPS is a funded scheme, with some 100 separate funds administered locally by administering bodies. Each fund has many employing authorities. The LGPS is not therefore a national multi-employer scheme, but each separate LGPS fund is a multi-employer scheme. The University of Manchester is a member of one of these funds, the GMPF, which is administered by Tameside Metropolitan Borough Council.

A full actuarial valuation was carried out at 31 March 2022 and this most recent full valuation showed a surplus of £1,021m for all members and a funding level of 104%. The University currently pays contributions at a rate of 22.9% of pensionable pay and annual additional contributions of £729k for 2023/24. The contribution rate of 22.9% remains unchanged for the year commencing 1 August 2024 as do the annual contributions at £729k.

The best estimate of contributions to be paid by the University and its subsidiaries to the scheme for the year commencing 1 August 2024 is £1.4m (2023: £1.4m).

The full actuarial valuation was updated to 31 July 2023 on an FRS 102 (28) basis by a qualified actuary, independent of the scheme's sponsoring employer.

The actuarial valuation updated at 31 July 2024 on an FRS 102 (28) basis showed a net scheme surplus position of £62.4m (2023: £53.4m) for the funded element of the scheme. Under FRS 102 a scheme surplus can only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. The University is not entitled to any unconditional refunds from the scheme and the contribution rate and amount of deficit contributions remain unchanged. In addition it is considered that the asset that arises is artificial, driven primarily by the increase in discount rate. For the reasons given the scheme surplus for the funded element has been adjusted to a net £nil position and this adjustment has been made through Other Comprehensive Income and as a reduction in the value of the scheme assets.

The major assumptions used by the actuary are detailed below:	2024	2023
Discount rate	4.95%	5.10%
Inflation (CPI)	2.75%	3.05%
Salary growth (composite rate)	4.03%	4.10%
Pension increase rate	2.75%	3.05%

The mortality assumptions adopted imply the following life expectancies:	2024	2023
	Life expectancy at age 65 Years	Life expectancy at age 65 Years
Male retiring in 2024	19.4	19.5
Female retiring in 2024	22.9	22.9
Male retiring in 2044	20.8	20.9
Female retiring in 2044	24.9	24.9

The assets and liabilities within the scheme at 31 July were as follows:	2024	2023
	£'000	£'000
Fair value of scheme assets	94,176	93,149
Present value of defined benefit obligation	(95,045)	(94,128)
<b>Deficit in the scheme</b>	<b>(869)</b>	<b>(979)</b>

The split of assets by type is as follows:	2024	2023
Equities	69%	71%
Bonds	15%	14%
Property	8%	8%
Cash	8%	7%

The pension scheme has not invested in any of the University's own financial instruments or in properties or other assets used by the group. The University's fair value of plan assets is less than 1% of the Fund's total.

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 25 Pension schemes (Continued)

### (e) Greater Manchester Pension Fund (GMPF) (cont'd)

The amounts recognised in the group statement of comprehensive income and expenditure are analysed as follows:

	2024 £'000	2023 £'000
<i>Recognised in Statement of Comprehensive Income:</i>		
Current service cost	592	949
Past service cost	78	138
Movement in the unfunded scheme	-	(229)
<b>Total operating charge</b>	<b>670</b>	<b>858</b>
Net interest income	<b>(2,741)</b>	<b>(1,344)</b>
<b>Total recognised in surplus for the year</b>	<b>(2,071)</b>	<b>(486)</b>

The current service cost includes an allowance for administration expenses of 0.3% (2023: 0.3%) of payroll.

<i>Taken to Other Comprehensive Income:</i>		
Return on scheme assets (excluding amounts included in net interest cost)	6,361	(2,253)
Remeasurements - changes in demographic and financial assumptions	2,084	25,199
Adjustment to reduce the scheme funded element to £nil	(9,029)	(14,560)
Other experience	(2,853)	(10,037)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(3,437)</b>	<b>(1,651)</b>

### Reconciliation of opening and closing balances of the defined benefit obligation

	2024 £'000	2023 £'000
<i>Recognised in Statement of Comprehensive Income:</i>		
<b>At start of year</b>	<b>94,128</b>	<b>110,205</b>
Current service cost	592	949
Past service cost	78	138
Movement in the unfunded scheme	(110)	(229)
Interest expense	4,640	3,698
Contributions by scheme participants	195	205
Actuarial losses/(gains)	769	(16,052)
Benefits paid	(5,247)	(4,786)
<b>At end of year</b>	<b>95,045</b>	<b>94,128</b>

### Analysis of defined benefit obligation

Present value of funded liabilities	-	-
Present value of unfunded liabilities	869	979
	<b>869</b>	<b>979</b>

### Reconciliation of opening and closing balances of the fair value of scheme assets

	2024 £'000	2023 £'000
<i>Recognised in Statement of Comprehensive Income:</i>		
<b>At start of year</b>	<b>93,149</b>	<b>108,997</b>
Interest income	7,381	5,042
Actuarial gains/(losses)	6,361	(3,143)
Adjustment to reduce the scheme funded element to £nil	(9,029)	(14,560)
Contributions by the University	1,366	1,394
Contributions by scheme participants	195	205
Benefits paid	(5,247)	(4,786)
<b>At end of year</b>	<b>94,176</b>	<b>93,149</b>

**25 Pension schemes (Continued)****(e) Greater Manchester Pension Fund (GMPF) (cont'd)**

The actual return on the scheme assets over the year ended 31 July 2024 was 9.5% (2023: 1.9%)

**Sensitivity analysis**

As set out in the accounting policies, there are some critical judgements made in estimating the GMPF pension liability. The sensitivity of the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumptions at 31 July 2024</b>	<b>Approximate impact on defined benefit obligation</b>
0.1% decrease in discount rate	1% or £1.3m increase
0.1% pa increase in salary increase rate	0% or £0.1m increase
0.1% pa increase in pension increase rate	1% or £1.3m increase
One year increase in life expectancy	4% or £3.8m increase

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes it is estimated that a one year increase in life expectancy would increase the University's defined benefit obligation by around 3% - 5%.

**26 Reconciliation of cash flow to Statement of Financial Position**

	<b>At 1 August 2023 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31 July 2024 £'000</b>
Cash and cash equivalents	173,375	15,502	<b>188,877</b>
	<b>173,375</b>	<b>15,502</b>	<b>188,877</b>

**27 Consolidated reconciliation of net cash**

	<b>At 1 August 2023 £'000</b>	<b>Cash Flows £'000</b>	<b>Non cash changes £'000</b>	<b>At 31 July 2024 £'000</b>
Cash and cash equivalents	173,375	15,502	-	<b>188,877</b>
Current investments (note 17)	270,000	30,000	-	<b>300,000</b>
Debt due after one year (note 20)	(393,931)	-	(125)	<b>(394,056)</b>
<b>Net cash</b>	<b>49,444</b>	<b>45,502</b>	<b>(125)</b>	<b>94,821</b>

**28 Capital and other commitments**

	<b>Consolidated</b>		<b>University</b>	
Provision has not been made for the following capital commitments at 31 July 2024	<b>2024 £'000</b>	2023 £'000	<b>2024 £'000</b>	2023 £'000
Authorised not contracted for	<b>162,260</b>	75,653	<b>162,260</b>	75,653
Contracted not provided	<b>33,591</b>	59,102	<b>33,591</b>	59,102
	<b>195,851</b>	<b>134,755</b>	<b>195,851</b>	<b>134,755</b>

## Notes to the financial statements (continued)

Year ended 31 July 2024

### 29 Lease obligations

Renewals are at the option of the lessee. Consolidated future minimum lease payments due under operating leases:

	Consolidated		2024 Total £'000	2023 Total £'000
	Land & Buildings £'000	Other Leases £'000		
<b>Payable during the year</b>	22,466	1,808	<b>24,274</b>	21,058
<i>Future minimum lease payments due:</i>				
Not later than one year	22,590	2,058	<b>24,648</b>	16,610
Later than one year but not later than five years	31,273	4,711	<b>35,984</b>	16,468
Later than five years	14,158	989	<b>15,147</b>	16,455
<b>Total lease payments due</b>	<b>68,021</b>	<b>7,758</b>	<b>75,779</b>	<b>49,533</b>

	University		2024 Total £'000	2023 Total £'000
	Land & Buildings £'000	Other Leases £'000		
<b>Payable during the year</b>	21,177	722	<b>21,899</b>	18,847
<i>Future minimum lease payments due:</i>				
Not later than one year	21,302	971	<b>22,273</b>	14,399
Later than one year but not later than five years	30,296	2,922	<b>33,218</b>	12,875
Later than five years	14,158	989	<b>15,147</b>	16,455
<b>Total lease payments due</b>	<b>65,756</b>	<b>4,882</b>	<b>70,638</b>	<b>43,729</b>

### 30 Contingent liabilities

	Consolidated		University	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Undrawn investment commitments	676	1,004	676	1,004
Demolition costs	-	6,761	-	6,761
	<b>676</b>	<b>7,765</b>	<b>676</b>	<b>7,765</b>

A commitment of up to £2.5m (2023: £2.5m) to invest in the Epidarex Capital III Fund has been given by the University. To date £1.8m (2023: £1.5m) has been invested in the Fund. It is anticipated that the remainder of the investment commitment will be requested within the next three years.

The University has received Outline Planning Consent for the redevelopment of part of the Fallowfield campus, which includes the demolition of some existing student accommodation. A provision has been recognised for the costs of demolition of Owens Park, which is ongoing (see note 21). At 31 July 2023, the University was considered to have a possible obligation to demolish Oak House and Woolton Hall, which are still operational, and disclosed a contingent liability of £6.8m for demolition costs. At 31 July 2024, the University is no longer considered to have a possible obligation to demolish these sites, as it has selected a preferred bidder as delivery partner for the redevelopment under a Design, Build, Finance and Operate (DBFO) model.

#### Pension Schemes defined benefit contingent liabilities

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. Historic scheme amendments without the appropriate certification might now be considered invalid, leading to additional, unforeseen liabilities.

Investigation into historic Scheme amendments for the University of Manchester Superannuation Scheme remains ongoing and therefore the amount of any potential impact on the defined benefit obligation cannot be confirmed and / or measured with sufficient reliability at the 2024 year end. The issue is disclosed as a potential contingent liability at the 2024 year end and will review again at the 2025 year end when we expect further clarity to be available.

**31 Related party transactions**

The operating statements of the University include transactions with related parties. In accordance with FRS 102 these are disclosed where members of the University of Manchester's Board of Governors or Senior Leadership Team (SLT) disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's Financial Statements and/or the other party. Due to the nature of the University's operations and the composition of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board or SLT may have an interest. All transactions involving organisations in which a member of the Board or SLT may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures. Only transactions or balances over £100k are listed below.

An updated register of the interests of the members of the Board of Governors is maintained.

The University has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights. Included within the financial statements are the following transactions with related parties:

	<b>Income recognised within the financial statements</b>	<b>Expenditure recognised within the financial statements</b>	<b>Balance due to the University recognised within the financial statements</b>	<b>Balance due from the University recognised within the financial statements</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
BAe Systems plc	829	-	167	-
Cancer Research UK	31,312	9	-	417
EDF Energy Ltd	2	24,576	-	1,856
Engineering & Physical Sciences Research Council	70,223	-	179	-
GlaxoSmithKline plc	536	-	99	-
Jones Lang Lasalle (JLL)	-	149	-	-
Innovate UK	5,469	-	233	-
Manchester University NHS Foundation Trust	28,210	13,911	3,306	2,779
The British Academy	1,179	20	-	562
The Rosalind Franklin Institute	-	206	-	-
The Royal Society	6,137	299	-	51
UK Biobank Ltd	1	1,339	-	1
Uniac	10	357	-	-
Universities UK	46	119	-	105
University of Manchester Students Union	787	831	36	54
	<b>144,741</b>	<b>41,816</b>	<b>4,020</b>	<b>5,825</b>

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 31 Related party transactions (Continued)

### **BAe Systems plc**

BAE Systems provide some of the world's most advanced, technology-led defence, aerospace and security solutions, employing a skilled workforce of more than 93,000 people in around 40 countries. It works with partners to develop, engineer, manufacture, and support products and systems to deliver military capability, protect national security, and keep critical information and infrastructure secure. One member of the senior leadership team is a member of the University of Manchester Framework Partnership board member.

### **Cancer Research UK**

Cancer Research UK is a registered charity, whose aim is to reduce the number of deaths from cancer. As the world's largest independent cancer research charity it conducts research into the prevention, diagnosis and treatment of the disease. Research activities are carried out in institutes, universities and hospitals across the UK, both by the charity's own employees and by its grant-funded researchers. One member of the Board of Governors is a board member of CRUK.

### **EDF Energy Ltd**

EDF Energy is a British integrated energy company, wholly owned by the French state-owned EDF, with operations spanning electricity generation and the sale of natural gas and electricity to homes and businesses throughout the United Kingdom. One member of the senior leadership team is a board member of EDF.

### **Engineering & Physical Sciences Research Council**

The Engineering and Physical Sciences Research Council (EPSRC) is the main funding body for engineering and physical sciences research in the UK. Its diverse portfolio ranges from digital technologies to clean energy, manufacturing to mathematics, advanced materials to chemistry. EPSRC invests in world-leading research and skills to advance knowledge and deliver a sustainable, resilient and prosperous UK. One member of the senior leadership team is a board member of EPSRC.

### **GlaxoSmithKline plc (GSK)**

GSK is a major pharmaceutical company. One member of the Board of Governors acts as a consultant for the company.

### **Jones Lang Lasalle (JLL)**

JLL help buy, build, occupy and invest in a variety of assets including industrial, commercial, retail, residential and hotel real estate. From tech startups to global firms, its clients span industries including banking, energy, healthcare, law, life sciences, manufacturing, and technology. One lay board member is Global Head of Sustainability Services and Environmental, Social and Governance at JLL.

### **Innovate UK**

Innovate UK, part of UK Research and Innovation, is the UK's innovation agency. Its mission is to help companies to grow through their development and commercialisation of new products, processes and services, supported by an outstanding innovation ecosystem that is agile, inclusive and easy to navigate. One lay board member is a Reviewer, Knowledge Asset Grant Fund at Innovate UK.

### **Manchester University NHS Foundation Trust**

The Manchester University NHS Foundation Trust formed when the University of South Manchester and Central Manchester University Hospitals NHS Foundation Trusts merged on 1 October 2017. The Trust runs Altrincham Hospital, Manchester Royal Infirmary, Royal Eye Hospital, Royal Manchester Children's Hospital, St Mary's, Trafford General Hospital, Withington Community Hospital, Wythenshawe Hospital, and the University Dental Hospital. It works closely with the University in the teaching of medical students, as well as research. A member of the senior leadership team is a non executive director of the Trust.

### **The British Academy**

The British Academy is the United Kingdom's national academy for the humanities and the social sciences. It was established in 1902 and received its royal charter in the same year. It is now a fellowship of more than 1,000 leading scholars spanning all disciplines across the humanities and social sciences and a funding body for research projects across the United Kingdom. The academy is a self-governing and independent registered charity. A member of the senior leadership team is a Fellow and a Chair of the Audit Committee and Research and Higher Education Policy Committee of The British Academy.

### **The Rosalind Franklin Institute**

The Rosalind Franklin Institute is dedicated to transforming life science through interdisciplinary research and technology development. One member of the senior leadership team is a board member of The Rosalind Franklin Institute.

### **The Royal Society**

The Royal Society is a Fellowship of many of the world's most eminent scientists and is the oldest scientific academy in continuous existence. The Society's fundamental purpose, reflected in its founding Charters of the 1660s, is to recognise, promote, and support excellence in science and to encourage the development and use of science for the benefit of humanity. The Society has played a part in some of the most fundamental, significant, and life-changing discoveries in scientific history and Royal Society scientists continue to make outstanding contributions to science in many research areas. A member of the senior leadership team is a Fellow and a Trustee of The Royal Society.

**31 Related party transactions (Continued)****UK Biobank Ltd**

UK Biobank is a large-scale biomedical database and research resource containing de-identified genetic, lifestyle and health information and biological samples from half a million UK participants. One member of the Board of Governors is an independent non executive director and charity trustee for UK Biobank.

**Uniac**

Uniac are experienced internal auditors for a diverse range of higher education providers across the UK. Uniac is wholly owned by the members (including the University of Manchester) as an unincorporated association and has no separate legal status. Its financial strategy seeks to return a small operating surplus in each year, such that it is able to continue to offer competitive prices to members and clients and continue to invest in its specialist staff. One member of the senior leadership team is a board member at Uniac.

**Universities UK (UUK)**

UUK is the collective voice of universities in England, Scotland, Wales and Northern Ireland. Its mission is to harness the power of the UK's universities and create the conditions for them to thrive. bringing them together to pursue a common cause: thriving universities, serving society. One member of the Board of Governors is a member of the group to appoint USS trustee board directors for UUK.

**University of Manchester Students' Union**

The University of Manchester Students' Union is the representative body for students at the University of Manchester. Two members of the Board of Governors are members of UMSU.

**32 Events after the reporting period****Bank financing**

Since the year end, the University has secured a replacement seven year Revolving Credit Facility (RCF) out to November 2031 of £150m. This facility will provide additional financial flexibility to protect against downside risk. The RCF financial covenants align with those of the Private Placement.

**33 Amounts disbursed as agent (Consolidated and University)****DFE -Student training bursaries (formerly the National College for Teaching and Leadership)**

	<b>2024</b>	2023
	<b>£'000</b>	£'000
Balance unspent at beginning of year	<b>95</b>	80
Department for Education (formerly Funding Council) grants	<b>3,860</b>	2,057
Disbursed to students	<b>(3,896)</b>	(2,042)
<b>Balance unspent at year end</b>	<b>59</b>	<b>95</b>

Funding Council grants are available solely for students. The University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure account.

**34 US Financial Responsibility Supplemental Schedule**

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

# Notes to the financial statements (continued)

Year ended 31 July 2024

## 34 US Financial Responsibility Supplemental Schedule (continued)

Location	UK Description	US description	2023 / 2024		2022/ 2023	
			£'000	£'000	£'000	£'000
<b>Expendable Net Assets</b>						
Consolidated statement of financial position	Income and expenditure reserve - unrestricted reserve	Net assets without donor restrictions	-	1,988,301	-	1,664,200
Consolidated statement of financial position	Income and expenditure reserve - expendable reserve, Income and expenditure reserve - restricted reserve	Net assets with donor restrictions	-	241,406	-	222,078
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	4,815	-	3,349	-
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	-	4,815	-	3,349
Consolidated statement of financial position and Note 14 Non current investments	Fixed assets, Heritage assets and Investment properties	Property, plant and equipment, net (includes Construction in progress)	2,299,799	-	2,315,220	-
Consolidated statement of financial position, Note 12 Tangible fixed assets, Note 13 Heritage assets and Note 14 Non-current investments	" Balance for all items pre 1st August 2019 - Freehold land and buildings (note 12) plus Fixtures, fittings, tools and equipment (note 12) plus, Heritage assets and Investment properties Less any depreciation and disposals "	Property, plant and equipment - pre-implementation	-	1,424,458	-	1,466,595
n/a	Not applicable - the University's borrowings are not linked to fixed asset additions	Property, plant and equipment - post-implementation with outstanding debt for original purchase	-	-	-	-
Note 12 Tangible fixed assets and note 13 heritage assets	Freehold land and buildings (note 12) plus Fixtures, fittings, tools and equipment (note 12) plus Heritage assets (note 13) and investment properties (note 14) since 1st August 2023	Property, plant and equipment - post-implementation without outstanding debt for original purchase	-	802,921	-	781,634
Note 12 Tangible fixed assets	Assets under construction	Construction in progress	-	55,000	-	66,990
n/a	Not applicable - the University does not have any finance lease balances outstanding	Lease right-of-use asset, net	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Lease right-of-use asset pre-implementation	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Lease right-of-use asset post-implementation	-	-	-	-
n/a	Not applicable - the University does not have any goodwill balances outstanding	Intangible assets - goodwill	-	-	-	-

Location	UK Description	US description	2023 / 2024		2022/ 2023	
			£'000	£'000	£'000	£'000
<b>Expendable Net Assets</b>						
Consolidated statement of financial position	Intangible assets and goodwill	Intangible assets - other	-	1,526	-	6,999
Consolidated statement of financial position	Pension provisions	Post-employment and pension liabilities	-	111,600	-	401,259
Consolidated statement of financial position	Borrowings: amounts falling due after more than one year at 31 July 2024	Long-term debt - for long term purposes	394,056	-	393,931	-
Consolidated statement of financial position 2024	Borrowings: amounts falling due after more than one year at 31 July 2024	Long-term debt - for long term purposes pre-implementation	-	393,484	-	393,484
Consolidated statement of financial position	Not applicable - the University has not incurred new borrowing since implementation	Long-term debt - for long term purposes post-implementation	-	-	-	-
n/a	Not applicable - the University did not draw down on any new borrowings in 2023/24	Line of Credit for Construction in process	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Lease right-of-use asset liability	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Pre-implementation right-of-use leases	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Post-implementation right-of-use leases	-	-	-	-
n/a	Not applicable - the University does not have any annuities	Annuities with donor restrictions	-	-	-	-
Note 22 Endowment reserves	Expendable endowments at 31 July 2024	Term endowments with donor restrictions	-	75,410	-	58,739
n/a	Not applicable - the University does not have any life income funds	Life income funds with donor restrictions	-	-	-	-
Note 22 Endowment reserves	Restricted and unrestricted permanent endowments at 31 July 2024	Net assets with donor restrictions: restricted in perpetuity	-	164,822	-	162,885
<b>Total Expenses and Losses</b>						
Consolidated statement of comprehensive income	Total expenditure	Total expenses without donor restrictions - taken directly from Statement of Activities	-	1,024,037	-	1,237,876
Consolidated statement of comprehensive income	Investment income, Gain/ (loss) on investments (including investment properties), Share of operating surplus in associates, Actuarial losses in respect of pension schemes	Non-Operating and Net Investment (loss)	-	-33,509	-	11,831

## Notes to the financial statements (continued)

Year ended 31 July 2024

### 34 US Financial Responsibility Supplemental Schedule (continued)

Location	UK Description	US description	2023 / 2024		2022/ 2023	
			£'000	£'000	£'000	£'000
<b>Total Expenses and Losses</b>						
Consolidated statement of comprehensive income and Note 14 Non-current investments	Investment income, Net appreciation of investment portfolio and other listed investments	Net investment gains/ losses	-	(49,547)	-	(17,413)
n/a	Not applicable	Pension-related changes other than net periodic costs	-	-	-	-
<b>Modified Net Assets</b>						
Consolidated statement of financial position	Income and expenditure reserve - unrestricted reserve	Net assets without donor restrictions	-	1,988,301	-	1,664,200
Consolidated statement of financial position	Income and expenditure reserve - expendable reserve, Income and expenditure reserve - restricted reserve	Net assets with donor restrictions	-	241,406	-	222,078
n/a	Not applicable - the University does not have any goodwill balances outstanding	Intangible assets - goodwill	-	-	-	-
Consolidated statement of financial position	Intangible assets and goodwill	Intangible assets - other	-	1,526	-	6,999
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	4,815	-	3,349	-
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	-	4,815	-	3,349
<b>Modified Assets</b>						
Consolidated statement of financial position	Non current assets, Current assets	Total Assets	-	3,233,407	-	3,186,620
n/a	Not applicable - the University does not have any finance lease balances outstanding	Lease right-of-use asset pre-implementation	-	-	-	-
n/a	Not applicable - the University does not have any finance lease balances outstanding	Pre-implementation right-of-use leases	-	-	-	-
n/a	Not applicable - the University does not have any goodwill balances outstanding	Intangible assets - goodwill	-	-	-	-
Consolidated statement of financial position	Intangible assets and goodwill	Intangible assets - other	-	1,526	-	6,999
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	4,815	-	3,349	-
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	-	4,815	-	3,349

Location	UK Description	US description	2023 / 2024		2022/ 2023	
			£'000	£'000	£'000	£'000
<b>Net Income Ratio</b>						
Consolidated statement of comprehensive income	Unrestricted comprehensive surplus for the year	Change in Net Assets Without Donor Restrictions	-	324,101	-	88,074
Consolidated statement of financial position	Total income less Investment income	Total Revenue and Gains	-	1,333,571	-	1,327,235

The University of Manchester  
Oxford Road  
Manchester  
M13 9PL  
[www.manchester.ac.uk](http://www.manchester.ac.uk)

Created by the Division of Communications,  
Marketing and Student Recruitment

Royal Charter Number RC000797  
3076 11.24

