MANCHESTER 1824

The University of Manchester

FINANCIAL STATEMENTS

For the year ended 31 July 2025

OFFICERS AND ADVISERS AND MEMBERSHIP OF THE BOARD OF GOVERNORS, 2024-2025

OFFICERS AND ADVISERS

Officers

Chancellor
Nazir Afzal, OBE

Pro-Chancellor
Jim Hancock, BA

President and Vice-Chancellor
Professor Duncan Ivison,
FAHA, FRSN, BA (Hons), MSc, PhD

Deputy President and Deputy Vice-Chancellor
Professor Luke Georghiou,
BSc, PhD, MAE, FRSA (until 20 December 2024)

Chair of the Board 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

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

Executive Director of People
Eleanor Morrissey,
MA, FCIPD (from 1 September 2024)

Vice-Presidents (Policy)

Teaching, Learning and Students
Professor April McMahon, MA, PhD, FBA, FRSE, FLSW, PFHEA until 31 July 2025

Professor Jenn Hallam, BSc, MSc, PhD, SFHEA (from 1 August 2025)

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 (until 30 September 2025)

Vice-Presidents and Deans of Faculties

Science and Engineering
Professor Martin Schröder, BSc, CChem, PhD, DIC, FRSE, FRSC, MAE (until 31 May 2025)

Professor Peter Green, Interim Dean of the Faculty of Science and Engineering MA, MSc, MIET, MIEEE (from 1 June 2025 – 14 September 2025)

Professor Sarah Sharples, FREng, CErgHF, FIET, FIEHF (from 15 September 2025)

Humanities
Professor Fiona Devine, BA, MA, PhD, 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 – 28 February 2025)

Professor Ashley Blom, MBChB, MD, PhD, FRCS, FMedSci (from 1 March 2025)

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 (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, 2023-2025

(to 31 August in the year indicated)

Category 1, ex officio members
Professor Duncan Ivison, FAHA FRSN, BA (Hons), MSc, PhD

Alexandra (Lexie) Baynes, BA (Hons) (until 30 June 2026)

Category 2, lay members
Philippa Hird, MA, CCIPD, FRSA (2028)

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

Dr Kerris Bright, BSc (Hons), DPhil (2027)

David Buckley, BSc (Hons), MSc (2028)

Anna Dawe, LLB (Hons), LLM, PGCE (2028)

Deidre Evans, BA (Hons), ACMA (2027)

Nick Hillman, OBE, MA, PGCE (2025)

Guy Grainger, BSC (Hons) (2026)

Jatin Patel, BA (Hons), MEng & MA (Cantab) (2027)

Robin Phillips, BA (Hons) (2025)

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

Paul Thwaite, BSc (Hons), FCBI (2027)

Emma Wade-Smith, OBE, BA(Hons), MA(Econ) (2027)

Associate member

Natasha Traynor, BA, MBA (2026)

Category 3, members of the Senate (6)

Professor Danielle George, CBE, BSc, MSc, PhD, CEng, FIET, FRSA, FCGI, FBCS (2025)

Dr Reinmar Hager, MSc, PhD (2026)

Professor Paul Mativenga, BEng (Hons), MSc, PhD, MCIRP, FRSA (2027)

Professor Hema Radhakrishnan, BOptom, PhD, MCOptom, PFHEA (2026)

Professor Fiona Smyth, BSc (Hons), PhD, FRGS (2026)

Professor Soumhya Venkatesan, BA, MA, MPhil, PhD (2027)

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

Tom Jirat, BA (Hons) (2026)

Category 5, student member (1)

Katie Jackson, Humanities Officer (until 30 June 2025)

Amrit Dhillon, Faculty of Science and Engineering Officer (from 24 July 2025)

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

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

Caroline Johnstone, BA, CA (2024)

The following became members of the Board of Governors with effect from the dates listed below.

Category three member:

Rachel Studd, BA(Hons) MSc, PGCE, SFHEA (1 September 2025)

Category two members:

Sarah Munby, MA (Oxon), MSc (from 1 October 2025)

Matthew Scullion, (from 1 September 2025)

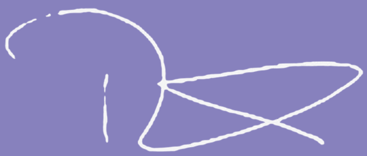
CONTENTS

02 Chair's foreword
04 President and Vice-Chancellor's review of the year
12 Financial review by Carol Prokopyszyn, Chief Financial Officer
20 Corporate governance statement
25 The University of Manchester public benefit statement and impact
31 Trade union statement
32 Remuneration Committee report
35 Statement of the Board of Governors' responsibilities for the year ended 31 July 2025
36 Independent auditor's report to the Board of Governors of The University of Manchester
42 Financial statements for the year ended 31 July 2025
43 Statement of principal accounting policies
50 Consolidated statement of comprehensive income
51 Consolidated statement of changes in reserves
52 Consolidated statement of financial position
53 Consolidated statement of cash flows
54 Notes to the financial statements

CHAIR'S FOREWORD

PHILIPPA HIRD

Chair of the Board and Pro-Chancellor



Introduction

Building on the momentum of our bicentenary celebrations, this has been a positive year for the University. Our new President and Vice-Chancellor, Professor Duncan Ivison, and a newly formed University Executive have led the University community in the co-creation of our ten-year institutional strategy which launched in October 2025. The Board have engaged at each stage as the work has developed so we can be assured that it is the right strategy and that the University is able effectively to deliver the next ten years in our story. The Board is ready to support the institution, and the challenge is a shared one between us all.

We continue to be a popular choice for home and international students. Our focus remains on the student experience, with improvements across every category in the National Student Survey (NSS) results and with a 5% increase in overall positivity – the biggest rise in the Russell Group. That our students judge their time with us to be valuable will persist as a major priority for the Board.

We maintain our position as a world leading university – ranked 56th out of more than 2,000 institutions in the *Times Higher Education* World Rankings. The University's commitment to achieving the United Nation's Sustainable Development Goals (SDGs) remains unmatched. We are the only university to rank in the top ten of the *Times Higher Education* (THE) Impact Rankings for seven years running.

The University's innovation ecosystem continues to expand at pace, with the launch of Sister – the emerging innovation district – and the launch of Unit M, a specialist team designed to drive regional growth and tackle productivity challenges. We support the University's significant ambitions in innovation.

Financial performance

The University achieved a good financial performance in the 12 months to 31 July 2025 and we delivered an adjusted operating surplus of £84.4 million (see page 13). This was up £42.8 million from last year and we recognise much work across the institution to spend our money wisely.

The University will continue to manage its finances carefully. There are ongoing financial pressures impacting the higher education sector in the UK. As we embark on the delivery of our new strategic plan, our ability to create increased surplus and operating cash to fund our own future remains critical and there will be important and difficult investment choices to be made as we go forward.

Governance

During the year in review, the Board has overseen the development of the new institutional strategy, including taking part in 'sprint' development groups, conducting an extensive full day discussion in May, and carrying out an initial review of the strategy draft before the formal review and approval in October. I am grateful to all Board members who took part and contributed their time to such an important plan for our University's next decade.

To underpin the Board's continued focus on the student experience, members took part in in depth sessions with Faculty colleagues and students, ensuring that space and time were given for an unfiltered student voice to be heard. Similarly for our research community, time was allocated at each Board meeting to hear from a leading researcher about their work. The year also saw Board approval of a revised Freedom of Speech Policy and Code of Practice for the University.

This year we said goodbye to retiring Board members Robin Phillips, Nick Hillman, Danielle George and Katie Jackson. The University has benefited enormously from their commitment and expertise. We welcome new members Sarah Munby, Matthew Scullion, Rachel Studd and Amrit Dhillon and look forward to their contribution.

Looking ahead

The year ahead will see our new institutional strategy come to life, following months of consultations and collaboration with our community to develop the 'foundations' and 'leaps' that will help us become a great civic university for the 21st century. The 200 – a newly created forum of top leaders from across the University – will work alongside the Board and Executive Team to deliver the evolved vision and strategy. Autumn will also see the launch of the University's first global fundraising and volunteering campaign, as we look to become a great philanthropic institution in our next decade.

REVIEW OF THE YEAR

PROFESSOR DUNCAN IVISON

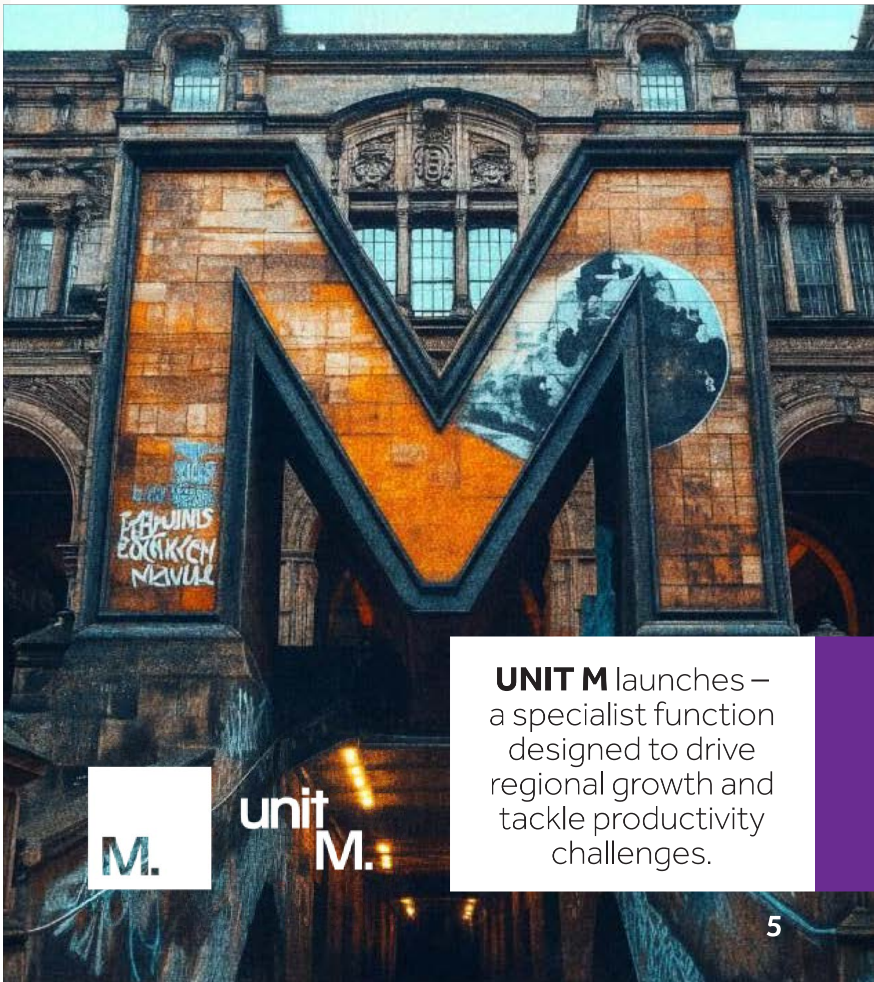
President and Vice-Chancellor

Reflecting on my first year as President and Vice-Chancellor at Manchester, I'm struck by the achievements and progress our community has made over the last 12 months. This includes working together to co-create our ambitious strategy for the next decade, which will have launched by the time this review is published (October 2025).

Despite ongoing challenges in the sector, 24/25 has been a successful year for the University and we continue to hit significant milestones across our current goals (research and discovery; teaching and learning; and social responsibility) and themes (our people, our values; innovation; civic engagement; and global influence). This review covers the highlights in each area, and I'd like to extend my warmest thanks to our colleagues, students, alumni, partners and wider community for their support and commitment to our institution as we look to kick start the next phase of success.

AUTUMN/**WINTER**

ID Manchester is renamed **SISTER** – the £1.7 billion science and technology innovation district, to be delivered over the next 15 years.



UNIT M launches – a specialist function designed to drive regional growth and tackle productivity challenges.

- **Innovation**
- **Partnerships**
- **Global influence**
- **Research and discovery**
- **Social responsibility**
- **Civic engagement**
- **Teaching and learning**
- **Our people, our values**

Manchester hosts the *Times Higher Education* **WORLD ACADEMIC SUMMIT** – welcoming 650 delegates to consider how universities can make a difference in a changing world.

AUTUMN/**WINTER**

Industry and academic partnerships

Ashoka University and O.P. Jindal Global University, India: Research and seed fund partnerships.

University of Texas: New partnership for collaborative research and teaching initiatives.

University of Cambridge: An ambitious collaboration led by Unit M and Innovate Cambridge, backed by £4.8 million of Research England funding. Together we're lining up our startup and investor communities, city capabilities and accelerating the journey from discovery to impact.

Bupa

A new innovative collaboration aiming to help reduce the environmental impact of the healthcare sector, specifically plastic waste. The team will explore the relationship between social practice, material selection, reuse and recycling while maintaining high-quality clinical outcomes.

Launch of **BICENTENARY PhD STUDENTSHIPS AND FELLOWSHIPS** for 25/26 and 26/27 academic years.

University wins two ***TIMES HIGHER EDUCATION* AWARDS** for student support and STEM research.

University receives **$1.3 MILLION DONATION** from alumna Judith Sear for new cancer research fund.

University named **ECONOMIC AND SOCIAL POWERHOUSE** of the North by London Economics.

Formation of **THE 200** – We brought together a new forum of leaders from across the University to move towards a distributed leadership approach and facilitate collaboration and shared accountability. They will be pivotal in driving the new institutional strategy.

Wonder material **GRAPHENE** celebrates 20th anniversary.

Ranked in the top ten for every year of the ***Times Higher Education* Impact Rankings** for action towards the UN's Sustainable Development Goals (SDGs).

SPRING/**SUMMER**

MANCHESTER MUSEUM WINS EUROPEAN MUSEUM OF THE YEAR, 2025.

As the first university museum to win the award, this is an incredible achievement. The team have worked to define what it means to be an inclusive, imaginative and caring cultural institution. From returning cultural heritage items to co-creating exhibitions with Indigenous communities in Australia, the team have shown what can happen when a museum commits to dialogue, access and accountability.

Launch of the **YOUR VOICE MATTERS SURVEY**, as part of a continuous listening approach for colleagues and students.

AI HUB opened, offering colleagues access to key information on the University's initiatives, benefits, guidelines and approved tools.

FALLOWFIELD STUDENT ACCOMMODATION REGENERATION continues with demolition of Owens Park Tower.

Manchester awarded **FAIRTRADE UNIVERSITY** two-star status.

NATIONAL STUDENT SURVEY (NSS)

The results of the NSS show genuine progress over the past year. We have improved across every category – with a 5% increase in overall positivity – and our scores on Student Voice have gone up by 8.7%. Our overall position in the sector has strengthened considerably – up 28 places from last year.

THE BIG QUESTION:

What kind of university do we need to be by 2035?

Strategy development process

PHASE ONE

We asked our colleagues, students, alumni and local community members to imagine a future where our university is more impactful, engaged, innovative and committed to excellence than ever before. What would it look like? How would we get there?

PHASE TWO

We asked our community to share their thoughts again, commenting on emerging proposals in our Ideas Lab, both in-person and online.

2,000
engagements at Ideas Lab

12,000+
colleagues, students, alumni and local community members involved

22
workshops

6,000+
Ideas and comments

From Manchester for the world
Our strategy to 2035

manchester.ac.uk/2035

Our foundations	Our leaps
Outstanding teaching and research	Flexible, personalised and digitally enabled learning
Values-led and socially responsible	Research excellence to impact
Of Manchester and for the world	A powerhouse of innovation
Organised for success: one university	The university to partner with
A place where you matter	Digital inside and out

LEADING INSTITUTION IN KEY GLOBAL RANKINGS

35th – QS world University Rankings, 2026.

52nd – Academic Ranking of World Universities, 2024/25 financial year.

53rd – *Times Higher Education* World University Rankings, 2024/25 financial year.

TOP IN UK AND EUROPE FOR IMPACT ON THE UN'S SUSTAINABLE DEVELOPMENT GOALS

2nd – *Times Higher Education* Impact Rankings, 2025.

9th – QS Sustainability Rankings, 2025.

TOP 20 FOR INTERNATIONAL OUTLOOK

20th – *Times Higher Education* Most International Universities in the world, 2025.

GLOBALLY RECOGNISED FOR OUR SUBJECTS

14 subjects in top 25 – QS World University Rankings by Subjects, 2025.

3 subjects in top 10 – Shanghai Global Ranking of Academic Subjects, 2024.

5 subjects in top 50 – *THE* World University Rankings by Subject, 2025.

The future

Our ambition is to be a great civic university for the 21st century – anchored in our city region and making a major contribution to the wellbeing of our community, but also always looking outwards to the world. There are significant challenges facing the higher education sector in the UK – and for the communities we serve – but we are facing into the future with ambition and hope.

Autumn will also see the launch of our first global fundraising and volunteering campaign – accelerating our progress, and the impact we have, through philanthropic partnership.

I look forward to leading us through another exciting year for our university as we challenge ourselves, adapt, evolve and tackle the challenges facing our world with clarity and renewed determination.

Our outcomes

- Student experience
- Research quality
- Socially responsibility
- Colleague engagement
- Reputation
- Innovation
- Employability
- Financial sustainability

FINANCIAL REVIEW

CAROL PROKOPYSZYN

Chief Financial Officer

This Financial Review describes the main trends and factors underlying The University of Manchester's (the University's) consolidated performance during the year ended 31 July 2025.

Financial overview and key highlights

Key Highlights	2024/25	2023/24	% change
Income and expenditure	**£'000**	**£'000**	**%**
Total income	**1,421,861**	1,364,783	4.2%
Total expenditure	**1,337,492**	1,024,037	30.6%
Total expenditure excl. USS changes	**1,337,492**	1,323,232	1.1%
Surplus before other gains and share of operating surplus of associates	**84,369**	340,746	-75.2%
Changes in USS deficit recovery plan	**-**	(299,195)	
Adjusted operating surplus	**84,369**	41,551	103.0%
Adjusted operating surplus as % of income	***5.9%***	*3.0%*	
Total comprehensive surplus	**113,706**	343,429	-66.9%
Net current assets	**316,967**	223,943	41.5%
Net assets	**2,343,413**	2,229,707	5.1%
Cash and current asset investments	**573,888**	488,877	17.4%
Operating cash inflow	**126,671**	88,712	42.4%
Net operating cash inflow as % of income	***8.9%***	*6.5%*	
Net cash outflow from investing activities	**84,111**	57,433	46.4%
Net cash outflow from financing activities	**17,549**	15,777	11.2%

In an increasingly challenging economic environment for Higher Education Institutions (HEIs) in the UK, it is very pleasing to report these positive financial results, which are underpinned by our strong international reputation. Recognising the operating risks evident across the sector, the University has carefully managed its finances, delivering increased surplus and cashflow to enable continued investment in the strategic objectives. However, the level of cash generated remains low for the scale of the organisation and insufficient to address the full range of our revenue and capital ambition. Net cash inflow from operating activities is £126.7m, 8.9% of total income. This is £37.7m higher than the previous year (which was 6.5% of income). The main driver for the increase is the improved operating surplus and a reduction in receivables resulting in a positive working capital movement.

The University's cash and current investment holdings have improved by £85.0m to £573.9m. The University's total adjusted operating surplus for the year is £84.4m, 5.9% of total income, an improvement of £42.8m on the previous year.

Total comprehensive income for the year is a surplus of £113.7m (2024: £343.4m) after net actuarial gains of £17.0m (2024 losses: £13.5m) from the University of Manchester Superannuation Scheme (UMSS) and Greater Manchester Pension Fund (GMPF) pension schemes. The actuarial gain can swing from a significant loss to a gain dependent upon factors outside the University's control, as has happened over the past two years.

Total income has increased by £57.1m or 4.2% from 2023/24. This has resulted from a number of changes across our various income streams. Tuition Fee income is up £49.3m and Research grants and contracts up £15.5m. Offsetting these are decreases in Investment income of £3.0m, Other income of £2.8m and Donations and endowments of £1.7m.

Total expenditure excluding USS changes for 2024/25 of £1,337.5m has increased by £14.3m or 1.1%. Staff costs excluding prior year changes in USS deficit recovery plan have increased by £43.5m driven by a £40.9m (or 7.9%) increase in wages and salaries linked to a 4.7% increase in staffing FTEs and pay awards and a £9.2m (or 16.2%) increase in Social security costs, due in part to the changes to National Insurance Contributions from 1st April 2025. Offsetting these increases is a £6.6m (or 5.5%) decrease in pension costs linked to the reduced Universities Superannuation Scheme (USS) contribution rates. Other operating expenses, Depreciation and amortisation and Interest and other finance costs have all shown decreases on 2023/24.

Despite these challenges the University has continued to invest in strategic revenue projects which, including the residences development, totalled £46.9m in the current year, £5.2m lower than in the prior year.

However, 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 and the ambition of the Manchester 2035 Strategy, 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 £57.1m to £1,421.9m, an increase of 4.2%. Our two major sources of income are tuition fees at 54% of the total income (2023/24: 52%), and research grants and contracts at 21% (2023/24: 21%).

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

Teaching income

Income from tuition fees has increased by £49.3m or 6.9% to £763.6m in 2024/25. Full-time international student fee income accounted for £52.6m of this increase offset by a £3.8m decrease in full-time home and EU students and supported by a £0.7m increase in Short course fees. Fees from full-time international students of £491.1m now represent 64.3% of total tuition fees (61.4% in the previous year) and 34.5% of total income (excluding capital income), up by 2.4% from the previous year. Fee growth is now increasingly from pricing rather than an increase in student numbers.

The chart to the right shows the distribution of students for 2024/25 and the prior year comparative. In relation to the UK and international split the chart shows the student numbers by domicile. EU students are now classed as international students.

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

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

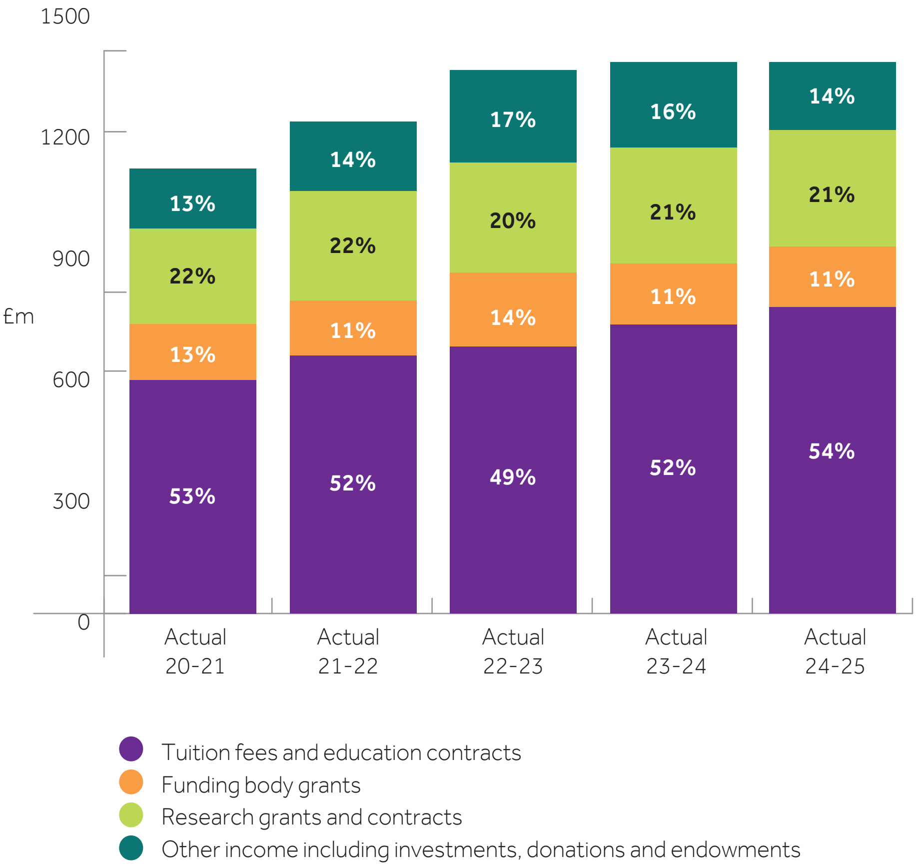


Figure 2: Distribution of students

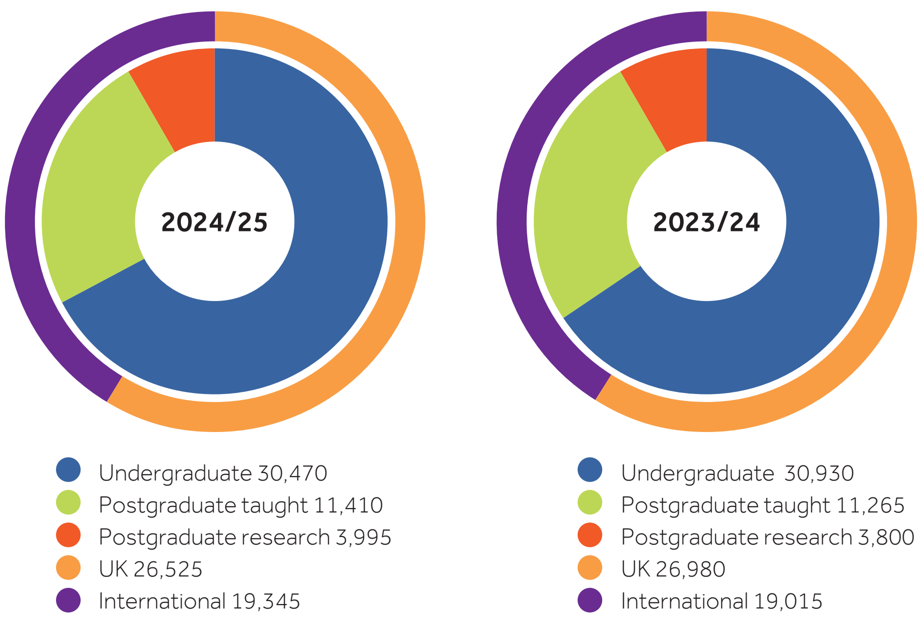
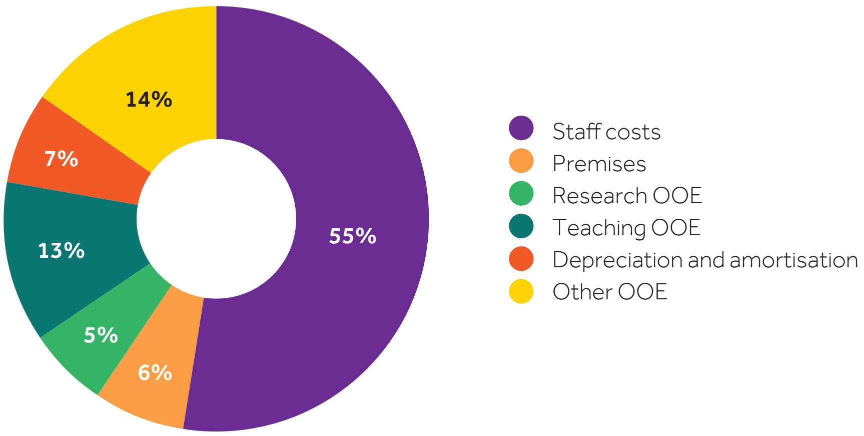


Figure 3: Total expenditure



Funding body grants

Income from funding bodies is in line with the prior year. Recurrent funding from Research England has reduced by £1.8m and specific initiatives grants are down by £1.4m, but these are offset by an increase in the Office for Students Capital grant of £3m and increases in other recurrent grants of £0.4m.

Research income

Research income has grown by £15.5m or 5.4% on the prior year to reach £303.3m. Research capital income was in line with 2023/24. In terms of funding sources, the largest growth is from UK central government, hospitals and health authorities which has grown £8.9m or 17.9%. Other sources has grown the most with a 52.5% or £0.8m increase.

Other income

Other Income has decreased by £2.8m or 1.6% on the prior year to reach £169.3m. Significant increases in Income from supply of goods and services of £4.9m, related to increased partnership income, and Residences, catering and conferences of £2.3m (3.4%) related to annual rent uplifts and additional capacity, are offset by a large one-off receipt in 2023/24 of £13.7m.

Investment Income

Investment income has decreased by £3m to £28.2m. This is largely due to a £2.7m reduction in net interest income on the defined benefit pension. Other investment income has remained relatively stable as the impact of higher average cash balances has been offset by steadily reducing base rates.

Donations and Endowments

Donations and Endowments income has decreased by £1.7m from £8.3m to £6.6m. The reduction is principally due to fewer New endowments being received, at £0.2m compared with £2m in 2023/24. The £6.6m recognised within Donations and endowments is part of £17.7m total philanthropic income recognised across Donations and endowments, Research grants and contracts and Other income. The total New Funds Raised (NFR) this year was £21.8m, which includes amounts pledged but not recognised in the accounts.

Expenditure review

Total expenditure

Figure 3 shows the split of the University's operating expenditure for 2024/25. Ignoring the prior year £299.2m USS one off item, total expenditure increased by £14.3m to £1,337m, an increase of 1.1%. Staff costs have increased by £43.5m or 6.3% and represent 55% of total expenditure, whilst other operating expenses have decreased by £16m or 3.2%.

Staff costs

The overall increase in staff costs of £43.5m was split between wages and salaries at £40.9m and Social security cost at £9.2m. Offsetting these is a £6.7m decrease in pension costs linked to reduced USS contribution rates.

Wages and salaries increase is 7.9% on the prior year driven by a combination of a 4.7% increase in average FTEs, a 2.5% pay award (albeit staged through the year) and incremental uplifts as staff move through the pay grades. High staff vacancy rates continue to be a challenge in some areas and without continued high rates, the growth in headcount and cost would have been more pronounced.

Social security costs have increased by 16.2% because of the changes to Employers' National Insurance contributions from April 2025. This increase will be further pronounced in 2025/26 with a full year under the new contribution structure.

Pension costs have decreased by 5.5% due to reduced USS contribution rates from January 2024 which were in place throughout 2024/25.

Staff costs as a percentage of income is a key metric. For 2024/25 staff costs are 53% of total income (excluding capital income). This compares to 52% for the prior year.

Other operating expenses

Other operating expenditure has decreased by £16.1m and as a percentage of income (excluding capital income) it has reduced to 35.1% compared to 37.3% in the prior year. Academic and related expenditure has increased by £6.8m and residences, catering and conferences by £1.1m, offset by a decrease in premises by £15.5m. Growth in Academic and related expenditure is linked to additional spend on student support for studentships and bursaries.
The increase in residences, catering and conferences is due to increased lease costs on leased halls of residences. The reduction in premises costs is mainly due to recognition of costs in the prior year related to the exit from the north campus. Notably, a provision was recognised for the cost of demolishing the Faraday Tower in 2023/24.

Depreciation and amortisation

This has decreased from the prior year by £6.4m which reflects the fact that all intangible assets became fully written-down in year with a corresponding reduction in amortisation of £3.9m. The reduction in depreciation relates to the fact that almost all additions in-year are still within assets under construction and therefore are not yet being depreciated.

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 £46.9m in 2024/25, a modest reduction on the 2023/24 spend of £52.1m.

This includes £8.8m investment on residences 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. In 2024/25 capital expenditure marginally increased by £0.7m to £77.6m (2023/24 £76.9m). This expenditure was spread over a number of

Figure 4: Capital additions

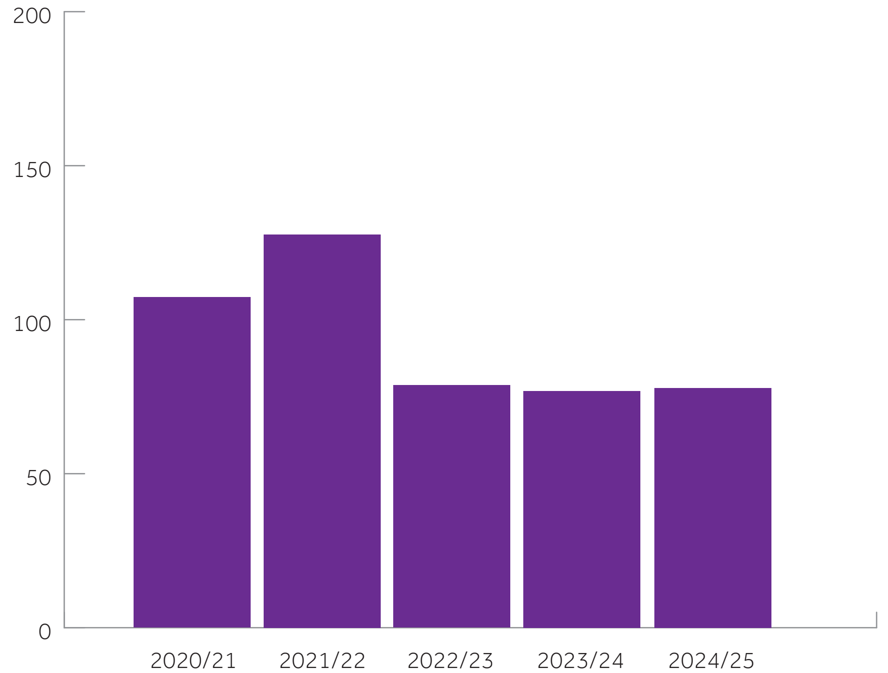
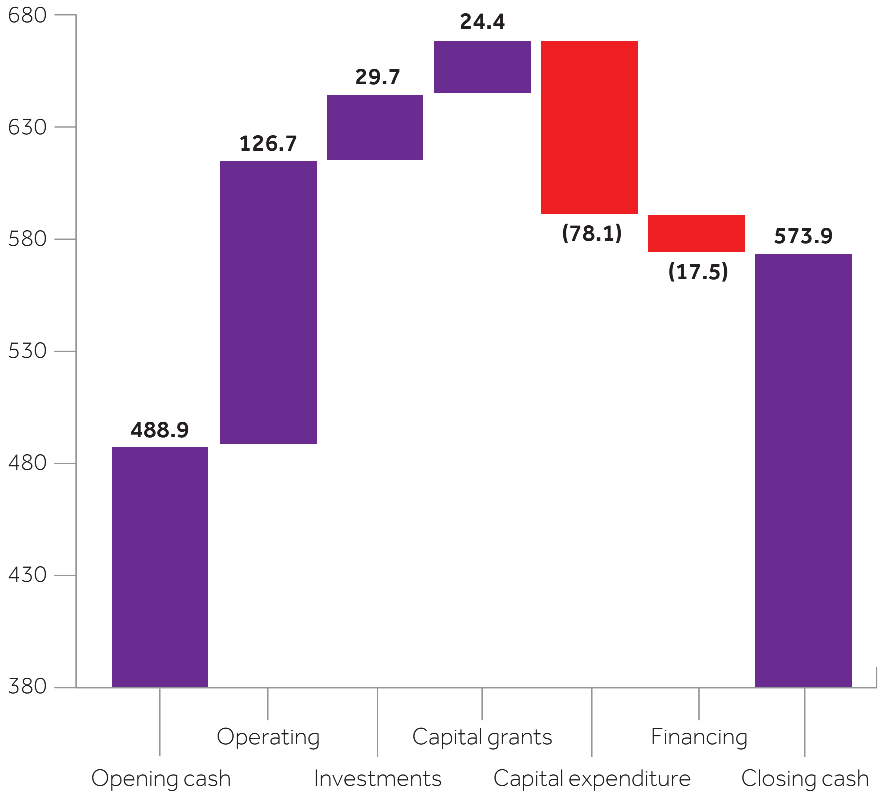


Figure 5: Movement in cash and current investments £m in 2024/5



projects, the largest ones being the purchase of the St Peters House Chaplaincy, John Rylands Library next chapter project, Ferguson teaching laboratories upgrade, Chemistry building renovation, Rutherford building renovation and various zero carbon works. 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. 2024/25 saw zero carbon spend on the Booth Street East, Michael Smith, Zochonis and Bridgeford Street Buildings. Also, work was carried out on campus wide lighting upgrades and a heat network study.

The University spent £11m on equipment, to support research facilities primarily in science-based areas.

A further £3.5m related to IT long term maintenance and improvements. There was £14.6m spent on the long term maintenance of the University's non-residential buildings, and £2.7m on long term maintenance for residential buildings. All risks relating to capital are monitored by the University Executive with support from the University Estates and Finance teams. Recommendations are reviewed for approval by University Executive and Finance Committee depending on scale.

Capital commitments

The main capital commitments at year end are the next stage of the Rutherford Building refurbishment (£5m), the next phase of the Chemistry building work (£9m) and work on the Kilburn building and facilities. The Future Foundations project has officially commenced and will deliver a new people and finance operating system in the coming years.

Cash and liquidity

Figure 5 shows that cash and current asset investments were £573.9m at 31 July 2025, an increase of £85m from the prior year. Liquidity days have increased to 169 days compared to 147 in 2023/24. 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 £213.9m (2024: £188.9m) and deposits held with bank and building societies of £360m (2024: £300m) which mature between 3 months and one year.

The main cash inflow shown in the cash flow statement in 2024/25 was £126.7m from operating activities; offset by investing activities of £84.1m (mainly capital spend, investment acquisition and deposit placement offset by capital grants received) and financing activities of £17.5m, 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 60 days operating expenditure in cash and on deposit, reduced during the year from 90 days, and this metric was exceeded throughout the year.

Fixed asset investments

Investment performance

Of the University's total investments of £248.8m, £242.4m relates to the University's endowment investment portfolio (capital element only). The value of the University's investments has increased resulting in a £17.0m gain as at 31 July 2025.

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 the 31 July 2025 was as follows:

Equity	42%
Diversified growth fund	18%
Multi Asset Credit	14%
Property	11%
Absolute Return Fixed Income	10%
Short Duration Cash Fund	4%

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 2025 for the year ended 31 July 2024, 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 59% relative to the baseline year of 2019, beating its target of a 50% reduction by 2027. The University's fixed income portfolio has a WACI which is 39% lower than the baseline year benchmark and is on track to meet the 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 Renewable Energy Guarantees of Origin (REGO) backed renewable energy for 2025 and 2024 was 100%. Therefore, the University has continued to hit this target ahead of the 2027 date.
- The reduction in energy usage within the property portfolio as at 31 July 2024 was -6.2% versus the baseline year (+1.3% versus baseline in 2023 and -1.3% versus baseline in 2022).

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

Pension liabilities

The University's pension liabilities have reduced from £111.6m to £86.6m. The liability relates primarily to the University's own scheme, UMSS (£85.8m) and its participation in the local authority scheme, GMPF (£0.8m).

These are valued on an FRS102 basis rather than the full actuarial basis. UMSS asset values have fallen, mainly due to rising bond yields. At the same time, the Defined Benefit Obligation (the value of future pension liabilities) has also reduced slightly more than the assets, as higher interest rates lower the present value of those future payments. As a result, the overall deficit has improved.

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 £0.8m.

Key financial risks

Overview	Analysis
UK Higher Education sector business model drives increasing dependency on international fees	As in prior years, the UK HE sector has a strong UK student demographic and the number of UK 18 year olds is set to continue to grow until 2030. The University itself benefits from Manchester being a popular destination. However, the financial model for Higher Education in the UK continues to be under significant strain. The uplift to the Home UG fee in 2025/26 (and the recent announcement to continue with inflation-linked uplifts to this fee) is welcome for the sector, but it only bakes in the pre-existing deficit on teaching Home students. In addition, the University's costs, particularly in relation to employment, have grown quicker over recent years than its income. It is imperative that this trend is reversed. The current model continues to create a reliance on international student recruitment to fund world class research and innovation. International student fee income continues to grow as a share of the University's overall income. The planned international tuition fee levy is of further concern and increases risk in this area.
International student demand remains buoyant but is dependent upon the University maintaining its global reputation and not being impacted by the current geopolitical environment	Unlike the experiences of some other universities, international student demand for the University remains consistent, largely driven by its research reputation and global rankings. The importance of the University's reputation cannot be underestimated. The reputation of a University, often linked to these global rankings, is critical in supporting recruitment of international students (which in turn support our financial sustainability). Where institutions have dropped out of the top 100 in the world this is often followed by a drop in international student applications. Given the significant investment in institutions in China and the wider Far East, standing still reputationally may lead to worsening league table scores. The University's success in international markets is currently both a strength and a source of risk. Issues of immigration and national security remain prominent. The University remains reliant on students from a relatively small number of countries (notably China). To mitigate this, the University continues to invest in order to retain a diverse student population and to mitigate the risk of geopolitical disruption. 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. The University has previously adjusted its international fee pricing to reflect its global reputation. This has limited further international student number increases but continues to require careful balancing to avoid increasing key country dependency. The proposed international tuition fee levy as referenced above, could further impact this area. 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. The global political context is becoming even more unpredictable and unstable. The ongoing conflicts in Ukraine and Gaza, set against the second Trump Presidency in the US and shifting relationships with China create a geopolitical environment which feels more difficult to navigate and creates higher risk. Inflation also remains doggedly higher than the expected reduction in the second half of 2025. However, the University continues to be sheltered from the impact of interest rate rises. Interest on its long-term debt is fixed; there remains no intention to increase the debt, and its Revolving Credit Facility (RCF), whilst a floating rate, is not utilised. The RCF is in place solely as additional cash protection.
Current sector business model limits the University's cash generation capacity and its ability to invest in its core estate and IT infrastructure	With the challenges outlined above, the University's cash generation capacity for investment may be significantly limited. The University has recently launched its From Manchester for the world strategy to 2035 From Manchester for the world, our strategy to 2035 | The University of Manchester, responding to a rapidly changing world. The strategy sets out those areas it wishes to prioritise for investment and growth. This strategy recognises that the University has one of the largest estates in the HE sector, a large student and staff population and many diverse activities. Therefore, its estate and IT infrastructure needs are significant. In the context of meeting the University's strategic ambitions, and the scale of change needed (both culturally and in terms of infrastructure), the University's finances are a key constraint. There is also a risk that the University may not have the capability and capacity to deliver the change in the timescale required. To meet all its estate investment and 2038 zero carbon commitment, the University previously assessed it would need at least £750m. A wholesale and integrated infrastructure plan is now planned for the coming year in which an updated assessment will be made of the University's estate and IT infrastructure needs. Student accommodation continues to be a key area of investment. 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. To underpin the University's strategic ambitions, the University has also identified those foundational areas where technologies and processes need to improve both for the benefit of students and staff. These areas all require significant investment.

Cyber Risk	Cyber risk remains one of the University's top financial and operational risks. Following the cyber attack in the summer of 2023, the University continues to rapidly deploy further investment in protection measures to improve resilience and operational improvements. The complex IT infrastructure and operational needs of the University increases the inherent risk. Despite the continued investment, the risk still remains high.
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	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, changes to employment taxes or more localised additional financial assistance for students and staff all remain possible.

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 43 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

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 2025 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. In 2024-25, following implementation of the Higher Education (Freedom of Speech) Act and publication of guidance from the Office for Students, the Board of Governors approved a Policy and revised Code of Practice on Freedom of Speech. Details of the University's corporate governance arrangements are published on the University website: **www.manchester.ac.uk/about/governance.** 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 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 (following the approval of the new University Strategy, Manchester 2035).

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. Chair of the Board and Pro-Chancellor, 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 2025, Ms Hird's re-appointment for a further three-year term from 1 September 2025 until 31 August 2028 was confirmed by the Board.

Six elected members of Senate, a member of Professional Services staff, two members of the Students' 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 2025.

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 2024-25:

- 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 2025 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. During 2024-25 these were the Audit and Risk Committee, Finance Committee, Nominations and Governance Committee, Remuneration Committee and People Committee. The latter two committees merged into a single Remuneration and People Committee from 1 September 2025. 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. In 2024-25, the Audit and Risk Committee benefitted from a co-opted independent member with specific external audit expertise to augment existing membership. That member's term of office expired in August 2025, and processes are in train to recruit a replacement. 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.

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 University Executive. 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 2025 is on page 32.

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 2024-25. 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 University Executive (UE) was established on 1 January 2025 (superseding Planning and Resources Committee (PRC)). It is the key central executive management committee of the University, is chaired by the President and Vice-Chancellor and includes in its membership the Vice-Presidents, the Registrar, Secretary and Chief Operating Officer, Executive Director of People, and the Chief Financial Officer, with representation on occasion, from Senate, and the Students' Union.

UE 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.

From 1 September 2025 UE will be supported by a suite of six executive committees which cover the following areas: Infrastructure, Innovation, International, Research, Social Responsibility, and Teaching, Learning and Students. In addition, UE is also supported by eight assurance committees, which focus on: Equality, Diversity and Inclusion, Gift Oversight, Research Relationships Oversight, Environmental Sustainability, Information Governance, Cultural Institutions, Research Compliance and Health, Safety and Wellbeing.

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 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.

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 Vice – Presidents, the Registrar, Secretary and Chief Operating Officer (Mr Patrick Hackett), the Chief Financial Officer and the Executive Director of People contribute in various ways to this work, collectively acting as the University's Executive, but the ultimate executive responsibility rests with the President and Vice-Chancellor. During 2024-25, the development of a new strategy has been a key element of executive and governance business and the strategy, Manchester 2035, was approved by the Board at its meeting in October 2025.

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 University Executive, 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 2025 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 2025.

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 is not 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 Board of Governors confirmed this status most recently at its July 2025 meeting).

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 University Executive. 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 its income 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. 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, UE, 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. Following consideration of critical internal audit reports, measures to enhance procurement and ensure value for money formed a significant part of Audit and Risk Committee deliberations in 2024-25.

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 Executive 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 Executive 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.

Plans are in development to revamp the format of the University's Strategic Risk Register to align with the new University Strategy approved by the Board in October 2025. A Risk Appetite Statement, defining the level of risk the University is willing to accept to achieve its strategic goals, will also be finalised in 2025-26, following approval of the strategy.

The University of Manchester public benefit statement

Impact in Teaching, Learning and Student Experience

Despite lots of positive student feedback, our National Student Survey (NSS) results have remained persistently low. The NSS, which is completed every spring by final year undergraduates, shows our position in the sector, but also includes individual free text comments which help local areas and programme teams to understand and address student concerns. The NSS is stubbornly hard to improve – students complete it in their final semester, but they look back to their initial experiences at Manchester, so even very tangible improvements take a while to filter through.

NSS 2025, however, gives very positive indications that we are on an upward trajectory. Manchester was the highest improver in the Russell Group, and one of the biggest climbers in the sector, moving up 28 places. We have seen particular improvements in our priority themes of Student Voice and Assessment and Feedback, as well as Organisation and Management – and in every question covered by our pioneering university-wide NSS Action Plan for 2024-25, we saw double digit uplifts. Our students respond well to a coordinated, one University approach. There is still a lot to do, as we remain in the lower quartile for the sector.

However good our teaching and learning offer might be, we know students still have issues and concerns in accessing and making the most of their university experience – and a lot of that comes down to money. Cost of living pressures have not gone away, and even when students take the maximum student loan, there is a considerable gap in meeting their living costs. We know families try to support where they can, but they may also be under pressure; and not all our students have families to help.

The University is working to support students in two main ways. First, donors and friends are contributing to our Manchester Access and Success Fund. This Fund aims to ensure that a diverse range of talented students **arrive** at Manchester, but also **thrive** here. Secondly, we have increased the value of our own bursaries and scholarships; and also raised the household income threshold which determines which students qualify for these awards. That means **more than 1,000 additional students** have benefitted from scholarships and bursaries in 2024-25, and those awards are also bigger. Our efforts are being recognised nationally and we were delighted to win the Times Higher Education Award for Outstanding Support for Students in November 2024 for the Cost of Living Support project, co-created by the Students' Union and the University. It was a particular bonus to see three generations of Students' Union Officers on stage to collect the award!

We are also enhancing the experiences of our colleagues and students through new and improved technology and systems. Through the initial workshops and discussions of our developing Manchester 2035 Strategy, many voices told us 'we just want things to work' – and we know they don't always now. We have two major projects in development at present which are already making a positive difference.

In September 2025, we moved from Blackboard to Canvas by Instructure as our Campus Learning Environment. Canvas promises to be easier to navigate, more accessible, intuitive and flexible, encouraging colleagues to improve their teaching resources (and to declutter those resources as they move to Canvas – the equivalent of clearing out the garage **before** you move house). SEAtS, our Student Engagement and Attendance System, has also been a feat of organisation to launch and roll out, but thanks to huge collective efforts, we have seen 3.4 million student check-ins for classes this year alone. We want all our students to attend and benefit from their teaching sessions; but students have complex lives and can face challenges. Once a student begins to disengage from their studies, early intervention is essential to support them back on track; hence the importance of knowing about attendance and engagement and acting on that information quickly. Again, we are seeing external recognition of these projects, with the SEAtS Engagement Analytics project shortlisted for the best change/transformation campaign at the Institute of Internal Communications awards.

The University has continued its active participation in the Student Minds University Mental Health Charter Programme (UMHC), underscoring our ongoing commitment to the mental health and wellbeing of our students and staff. As members of the programme since it first launched in 2021, we continue to engage in UMHC practice sharing events, insight sharing sessions and communities of practice, and use the UMHC framework to help guide our work. In October 2025, we concluded the peer assessment and independent evaluation stages of the programme and were awarded a **UMHC Award accreditation**. The assessment process supported us to better understand our areas of strength and development to inform ongoing improvements, whilst recognising good practice along the way. Through our UMHC action plan, we will continue to partner with our students and colleagues to embed further enhancements.

Meanwhile, the University's planned redevelopment of its Fallowfield Campus is expected to mark a transformative chapter in reimagining student accommodation, increasing the average quality and value for money of its portfolio as it does so. The scheme is intended to not only meet growing demand for student housing but also to redefine the living experience for our student residents, blending modernity with environmental responsibility and community heritage.

With a **£500 million** investment, the project is planned to deliver 3,300 modern, high-quality bedspaces across five distinct neighbourhoods, each celebrating local history and character. A central hub will serve as the heart of the campus, complemented by dedicated amenity spaces, ancillary dwellings, and enhanced green areas. The demolition of Owens Park Tower–an iconic 1960s structure–was completed in spring 2025, paving the way for construction to begin in 2026. The phased handover of new buildings will allow students to move in from 2028 through to 2031. Sustainability is central to the design, with the development aiming to be one of the largest Passivhaus-certified projects globally, alongside targeting BREEAM Excellent standards.

Finally, enhancing our teaching and learning, and the broader experiences of our learners, depends on supporting our excellent teachers and teaching leaders. We are currently celebrating the announcement of two new National Teaching Fellowships for Jenni Rose of the Alliance Manchester Business School, and Professor Ang Davies of the School of Health Sciences. For an unprecedented third year in a row, we have also won a CATE (Collaborative Award for Teaching Excellence), this time for the PGCert Medical and Health Education Programme Team, led by Dianne Burns and Bip Choudhury. Well done to all the winners and the teams who have supported them!

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. Our researchers work collaboratively to push boundaries, redefine knowledge and accelerate the journey from discovery to real world impact. Our Talk 200 lecture and podcast series discusses how to address the biggest topics of the day including, health, digital and AI, climate change and energy, equality and justice.

We are leading cancer detection and prevention strategies, making biomedical and health science discoveries, and translating research into practice, allowing for earlier intervention and improved outcomes. This includes developing a new blood test that can tell doctors precisely how active a patient's cancer is, progressing a new method to detect early signs of Parkinson's disease, informing new UK-wide clinical guidelines for asthma diagnosis, and identifying genetic causes of hearing loss.

Our experts are exploring how to transform our energy systems. Breakthroughs include developing a hydrogen sensor that could pave the way for safer and cleaner energy and establishing a new way to improve the lifespan of zinc-ion batteries offering a more sustainable option for energy storage.

Addressing immediate challenges to the environment, our researchers have contributed to a river rescue kit supporting the collection of water quality data to inform policy, and have shaped guidance on decarbonising the music industry.

Contributing to a prosperous and inclusive world is central to our interdisciplinary research efforts. Our researchers collaborate globally and locally and informed a WHO report on the global loneliness crisis, developed frameworks on sustainable reforestations, and initiated discussions on equitable tourism development.

Our research institutes have continued to deliver national leadership with international impact, supporting the UK Government's Industrial Strategy Frontier Industries of Advanced Materials, AI, Engineering Biology, Quantum and Semiconductors.

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

Creative Manchester brought together leading voices from the arts and academia to discuss Manchester and Britain's untold musical heritage, Why Museums Matter and Miscarriages of justice. Our partnership with English National Opera explores how to engage with new communities and what it means to have an opera company based in the city-region.

Digital Futures hosted the annual Advances in Data Science and Artificial Intelligence Conference and explored the collaborative and responsible use of AI and data science. The Civil Service Climate and Environment Conference brought our researchers and policymakers together to discuss how AI can support the government's housing ambitions.

The Healthier Futures platform hosted the Delivering Maternity Equity Summit and worked with the Greater Manchester Combined Authority on an initiative to understand the links between health and housing.

Our Sustainable Futures platform is leading a partnership with the health industry to address the challenge of plastic waste in healthcare settings and via the Joined-Up Sustainability Transformations Centre will collaborate with communities, governments and businesses to develop low-carbon living initiatives.

Extensive engagement with policymakers locally and nationally takes place through Policy@ Manchester and the Greater Manchester Policy Hub. In the last year our researchers have contributed to policy discussions on a wide range of issues including local climate change, equitable social prescribing and young people's well-being.

Research exploitation

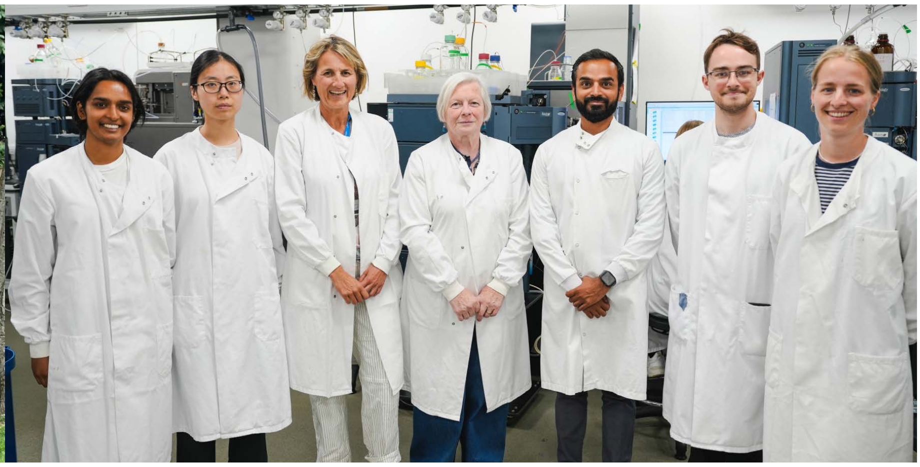
Signalling a renewed and expanded focus on innovation, Unit M was launched with a mandate to drive regional innovation as an immediate step to solve the UK's growth and productivity challenge. Our £1.7bn innovation district, a joint venture with Bruntwood SciTech, opened its doors to hosting businesses in the Renold Innovation Hub, and revealed its new name, Sister.

Our Business Engagement and Knowledge Exchange (BEKE) team supported 335 awards with industry across research collaborations, consultancy and knowledge exchange partnerships. Income from industry research was £30.1m (23% on the four-year average). The most up to date sector results from HESA show a 47% growth in industry research income over the last four years and ranks us nationally at 5th, up from 6th in the previous year and 9th two years prior.

BEKE have supported 89 projects totalling £4.8m with SMEs, and the most recent data shows that we continue to be ranked 2nd for contract research income with SMEs. We remain a sector leader in Innovate UK's Knowledge Transfer Partnerships, with a total portfolio of 16 active projects (£4.9m), with 75% of collaborating partners based in the North West. Our combined UKRI Impact Acceleration Account (IAA) portfolio (>£15m) is the largest nationally and in the last 12 months 59% of partner organisation applicants were based in the North West.

North-west based Saraco Industries engaged with the University through a UKRI IAA and KTP project, collaborating with an interdisciplinary team of materials science, biological physics and microbiology experts, to develop a world-first plastic free, biodegradable clinical disinfection wipe. Saraco estimated that this first-to-market product innovation has opened a £140m market opportunity and won the 2025 Bionow 'Project of the Year' award.

Jan Smith, DyNAMIc clinical trial patient



Team developing swab test for Parkinson's disease

Director of the Tyndall Centre, Professor Carly McLachlan, meeting King Charles III

Organic semiconductor hydrogen sensor

Three people putting River Rescue Kit into action

Professor April McMahon speaking at the Talk 200 lecture series

We have continued to grow and strengthen our institutional strategic business partnerships and now hold one of the largest and diverse portfolios in our peer group, with 24 strategic partners. This year, we formalised a strategic partnership with Amentum, a global leader in advanced engineering and innovative technology solutions, to drive advances in materials science, robotics, digitalisation, energy and social impact.

University of Manchester Innovation Factory Ltd. (UoMIF), a wholly owned subsidiary responsible for the commercialisation of IP, launched new deep-tech and life science spinout companies in 2024/25 and were ranked 4th in the Russell Group for spinout company creation in the newly published Spinout Register. UoMIF also maintained our sector leading position for IP and Commercialisation in the KEF. To further strengthen innovation and drive economic growth across the region, UoMIF collaborated closely with the four Technology Transfer Offices in Greater Manchester, and hosted an Investor Conference showcasing innovation from the Northern Triangle. Finally, our groundbreaking partnership with The University of Cambridge, the UK's first cross-UK innovation partnership, will drive economic growth for the UK and set an example for other cities to follow.

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, Environmental sustainability and Cultural engagement. This plan is underpinned by a focus on People, Partnerships, Processes and Performance. The highlights below illustrate breadth, depth and impact across our campus, city-region and global partnerships.

Social inclusion

We strengthened social mobility and inclusion through flagship programmes and new partnerships. Our Pathways to Law cohort graduated in partnership with the Sutton Trust, while Humanities partnered with The Access Project to support learners from under-resourced backgrounds into top universities. We also convened the Arthur Lewis Lecture with a focus on citizen empowerment and inclusive participation.

To promote digital and financial inclusion, we introduced a joint Digital Equity Charter with the Students' Union and enhanced our student support package. Practical equality-of-opportunity initiatives ranged from IT-enabled laptop donations to local youth groups to a Faculty of Science & Engineering cooking-skills pilot supporting wellbeing and cost-of-living resilience.

Great Science Share for Schools (GSSfS) marked its 10th year with record engagement: 845,105 pupils took part in 2025 (up 26% year-on-year) across more than 40 countries, under the continued patronage of the UK National Commission for UNESCO. The campaign fosters scientific curiosity and pupil voice through ask–investigate–share activities in classrooms and communities.

Prosperous communities

We continued to catalyse inclusive economic growth across Greater Manchester. The University launched Unit M – our new innovation capability – appointing its first CEO to connect assets, talent and innovation adoption across the region. Our £1.7bn innovation district opened under the new name Sister, welcoming its first tenants and unlocking the GM Investment Zone's potential for good jobs and productivity.

A new economic impact report underlined scale and reach: for every £1 invested in research, the University generates £5.95 in UK productivity benefits, with a total UK impact of £7.3bn in 2022–23. Entrepreneurship flourished, with alumni-founded ventures moving into the district and continued collaboration through the GM Innovation Accelerator.

Better health

Our research, education and partnerships delivered tangible health benefits locally and globally. We launched the British Heart Foundation Manchester Centre of Research Excellence with £4m to accelerate world-class cardiovascular discoveries and translation. We also marked the launch of our Africa Strategy with partner visits in Kenya focused on shared SDG challenges.

Health equity and public engagement featured strongly: our Age-Friendly Futures Summit convened global partners to co-design age-friendly environments, while alumni communities raised funds for early-career cancer researchers. Student-led and international outreach – from Roots to Dental and the DiPS programme in Kenya to antibiotic-awareness campaigns – demonstrated how service learning enhances population health. Our long-standing Mansoura Manchester Medical Program in Egypt nears its 20th anniversary, now training nearly 400 students annually and expanding access for scholars from crisis-affected regions.

Environmental sustainability

We advanced decarbonisation and nature recovery at pace. Construction of the Medebridge solar farm – over 103,000 panels across 175 acres – progressed to energisation, and will be providing up to 60% of our electricity needs and cutting emissions by 12,000 tCO_2 per year. The project won AUDE Gold for Sustainability Impact and will enhance biodiversity while supporting research and teaching.

Campus-wide initiatives included a free bus trial to cut congestion and emissions, the Trash Talks campaign to clarify recycling, a Sustainability Careers Fair, and the launch of the reusable Bee Cup scheme with Manchester City Council and InOurNature. Research and civic action advanced through the JUST Centre on equitable sustainability transitions, an atmospheric monitoring station at Jodrell Bank, the River Rescue Kit, and our first zero-emissions non-residential building at Booth Street East. Partnerships with City of Trees and Friends of Medlock Valley supported local biodiversity.

Cultural engagement

Our cultural institutions deepened public connection through collections, performance and co-creation. John Rylands Library marked its 125th anniversary with a year-long programme and The Secret Public: LGBTQ Pop 1955–1985; Manchester Museum hosted community-powered programming including for Diwali, Ramadan and Vaisakhi celebrations and helped bring the Silent Skies exhibition on air quality to new audiences. The Whitworth presented high-profile exhibitions and socially engaged practice; Jodrell Bank offered lectures, immersive shows and community projects. Creative Manchester curated city-wide literary and arts collaborations from the Festival of Libraries to new work on Arts-Based

Participatory Research, while the Humanities-funded Manchester Medieval Festival returned to celebrate the city's heritage.

People, Partnerships and Processes

We strengthened the enabling environment for social responsibility. The Engaged Research Hub launched a suite of resources to grow capacity for participatory and co-produced research; we reviewed training for public engagement and advanced Faculty-level PPIE quality frameworks. Our new employee volunteering policy provides up to three days' paid leave, supporting staff to contribute skills to civic priorities.

Partnerships across Greater Manchester intensified:

Manchester 2035 development involved extensive civic engagement; the GM Civic University Board set refreshed priorities and advanced green-skills work with FE colleges; and we deepened work with Citizens UK Greater Manchester on the Real Living Wage and youth mental health. Community engagement, celebration and recognition remained central through the Making a Difference Awards 2025, Volunteer of the Year Awards, Peer Support Awards and the Universally Manchester community festival.

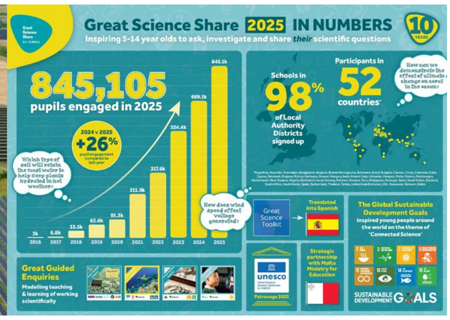
Performance

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

The first measure is the Times Higher Education University Impact Rankings, based on performance towards the United Nations Sustainable Development Goals (SDGs). In 2025 the University of Manchester was ranked first in the UK and Europe and second in the world for the third consecutive year. We are the only university globally to have ranked in the top ten in all seven years of the rankings and were placed first in the world for SDG11 (Sustainable Cities and Communities). The 2025 exercise assessed 2,318 institutions across 130 countries.

The second measure is the UK Knowledge Exchange Framework section on Public and Community Engagement. In KEF4 there was no new requirement for updated information on public and community engagement and we therefore retained the highest top-quintile position.

Solar farm in Ockendon, Essex



Great Science Share for Schools 2025 infographic

Summer solstice event at Jodrell Bank, including Jazzie B of Soul II Soul

Times Higher Education Impact Rankings 2025 results

University of Manchester and Bupa collaboration

The Maternity Equity Summit, 2025

Unit M team at The University of Manchester


Artist's impression of Sister development

Diwali celebrations at Manchester Museum


Bill Newman, Professor of Translational Genomic Medicine


Saraco team winning 2024 Bionow 'Project of the Year' award

Trade union statement

The Trade Union (Facility Time Publication Requirements) Regulations 2017

1 April 2024 to 31 March 2025

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 2024 to 31 March 2025 is as follows;

Table 1 – Relevant union officials

Number of employees who were relevant union officials during the relevant period	48
Full-time equivalent employee number	42.28 FTE

Table 2 – Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	2
1-50%	42
51%-99%	0
100%	4

Table 3 – Percentage of pay bill spent on facility time

Total cost of facility time	£472,073
Total pay bill	£704,990,450
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	8.31%

Remuneration Committee report

for the year to 31 July 2025

The Remuneration Committee report provides oversight and assurance regarding decisions on senior remuneration at the University. It is prepared in accordance with the requirements of the CUC Higher Education Senior Staff Remuneration Code and the Office for Students (OfS), including the obligation to disclose senior pay in the published accounts and to produce an annual remuneration statement.

1. Remuneration Committee terms of reference

The Committee's terms of reference, outlined below, are published on the University's website and are reviewed annually:

a. 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).

b. 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 colleagues not covered in 'a' above and to scrutinise such recommendations as appropriate for consistency and fairness.

c. 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.

d. To provide assurance to the Board of Governors that the University is adhering to guidance on senior pay as directed by the Office for Students and the Committee of University Chairs Higher Education Senior Staff Remuneration Code.

In 24/25, the Committee had responsibility for determining the specific remuneration for the following posts:

- President and Vice-Chancellor
- Registrar, Secretary and Chief Operating Officer
- Vice-President and Dean of Biology, Medicine and Health
- Vice-President and Dean of Humanities
- Vice-President and Dean of Science and Engineering
- Vice-President for Research
- Vice-President for Social Responsibility
- Vice-President for Teaching, Learning and Students
- Vice-President for Regional Innovation and Civic Engagement

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

During the year, the Committee reviewed and agreed proposals to merge with the People Committee with effect from 25/26. Revised Terms of Reference were agreed by the Nominations and Governance Committee and by the Board and are available on the University's website.

2. Committee Membership and Attendance

- Mrs Ann Barnes (Chair)
- Ms Philippa Hird
- Mr David Buckley
- Mr Nick Hillman
- Professor Paul Mativenga (Staff member*)
- Ms Lexie Baynes (Student member*)

*attend the meeting for items relating to the salary review of the President and Vice-Chancellor and for selected other items including the University's Equal Pay Audit Report and Gender, Ethnicity and Disability Pay Gap Reports.

Also in attendance:

- President and Vice-Chancellor
- Registrar, Secretary and Chief Operating Officer (RSCOO) (Secretary)
- Executive Director of People (Advisers)
- Director of Reward (Advisers)

The President & Vice-Chancellor, RSCOO or any other University colleague are not present for the discussion or determination of their own remuneration.

3. Approach to remuneration decisions

The Remuneration Committee considers a range of factors when making decisions on executive pay. These include the need to attract and retain high-calibre leadership, awareness of the broader pay environment, and ensuring value for money in its investment in the University Executive.

Work to review, define and update the formal Remuneration Policy is an objective moving forward for the 25/26 academic year.

Remuneration decisions during both recruitment and salary review processes are guided by the principles highlighted in the table below:

Element	Strategic Purpose	Operation	Maximum Potential Value	Performance Conditions & Assessment
Base Salary	• Supports recruitment and retention of University Executive members with the skills and experience to deliver the strategic plan. • Recognises outstanding individual contributions.	• Reflects role size (Korn Ferry evaluation), responsibilities, individual performance, and experience. • Reviewed annually. • Increases approved by Remuneration Committee (President & VC) or recommended by President & VC (other Exec members). • Increase effective from 1 April • Can be consolidated (pensionable) or non-consolidated (lump sum, non-pensionable).	• Determined annually based on: - Individual performance - Role scope - Market benchmarking - University-wide pay increases - Financial position and budget - Retention needs	• Benchmarking against: - Upper Decile of UCEA survey - Median of Industrial & Service Sector (range 80–120%) • Skills and experience considered • Outstanding contributions may be recognised via non-consolidated awards
Pension	• Supports recruitment and retention. • Provides flexibility for those affected by HMRC pension limits.	• Membership in USS or NHS Pension Scheme. • Cash allowance in lieu of pension (no longer available for new entrants). • Allowance subject to tax and NI.	• USS: 14.5% of base salary • NHS: 14.38% of base salary	None applicable
Benefits	• Attracts and retains talent by offering benefits in line with sector norms.	• Includes life cover (linked to pension) and sick pay (6 months full, 6 months half). • Same provision as for all colleagues.	• Cost borne by the University	None applicable

Remuneration during recruitment

The Remuneration Committee approve the salary range in advance of recruitment and have oversight of shortlisted candidates in advance of interview. Finally, the Committee approve the final remuneration package offered to each University Executive member.

After recruitment, remuneration analysis come 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.

Annual salary review

During the annual salary review, the President & Vice-Chancellor presents recommendations for University Executive member salaries. These are assessed against benchmarking data and other relevant factors, as outlined in the accompanying table.

4. 24/25 Remuneration decisions

The Remuneration Committee met twice during the year 2024/25 in September 2024 and April 2025. In addition, the Committee considered a number of items by circulation where appropriate.

In making remuneration decisions, the Committee carefully considered the continuing challenges within the financial landscape affecting the higher education sector. It took into account a range of influencing factors, including the impact of inflation, sector benchmarking data, institutional aspirations, and the wider national pay award of 2.5%. These considerations were balanced against the University's commitment to recognising individual contribution, retaining talent, and ensuring financial sustainability.

President & Vice Chancellor remuneration

The President and Vice-Chancellor is not eligible for a salary review until April 2026 so no recommendation was brought forward in relation to his salary during the financial year.

University Executive remuneration

The Committee approved the recommendation from the President and Vice-Chancellor for pay awards effective from 1 April 2025 for his direct reports. The Committee approved the recommendation from the President and Vice-Chancellor that the annual salary review process for University Executive members would move to an annual autumn review for better alignment with the performance review year cycle.

Recruitment to University Executive roles

During the year, the Committee approved the salary levels for the following recruited roles, using the parameters highlighted in section 6:

- Vice-President and Dean of the Faculty of Biology, Medicine and Health
- Vice-President for Teaching, Learning and Students
- Vice-President and Dean of the Faculty of Science and Engineering

5. Policy on termination payments

The University aims to treat departing University Executive members fairly, considering individual circumstances while protecting institutional interests and avoiding rewards for failure.

University Executive members are entitled to their base salary and contractual benefits (including pension contributions) during their notice period, which may be paid as a lump sum at the University's discretion. No such payments were made during the reporting year.

Academic University Executive members typically return to their professorial roles after their term ends. Their salary is reviewed and adjusted as needed to reflect their professorial role, but no additional payments are made for stepping down.

6. Wider university remuneration environment

This section outlines the University's approach to benchmarking, job evaluation, pay awards, and pension schemes applicable to the wider university colleague base. While these areas do not fall directly within the decision-making remit of the Remuneration Committee on an individual basis, they are important contextual factors that inform and influence the Committee's considerations.

All University of Manchester colleagues receive benefits aligned with those available to the University Executive. Everyone is eligible to participate in the University's pension schemes relevant to their role.

Grades 1–8 & JNCHES Pay Framework

- The majority of our colleagues are paid on the new JNCHES pay spine, which is nationally negotiated each year by the University and Colleges Employer Association (UCEA). For all those covered by New JNCHES, pay agreements are negotiated nationally and are then implemented at a local level.
- The University is an accredited Real Living Wage Employer and, therefore, where the nationally agreed pay scales are below the Real Living Wage the University implements the Real Living Wage rates.
- The University uses the Higher Education Role Analysis Scheme (HERA) to assess all posts that are part of the national pay bargaining (New JNCHES) pay scales
- There is also currently incremental progression through the pay scales on an annual basis for colleagues on Grades 1 – 8
- There is opportunity for further recognition through the University's Recognising Exceptional Performance policy, which may result in either a non-consolidated payment or an additional incremental point

Grade 9 Professional Services Colleagues

- In addition to the annual cost of living award, salaries for Grade 9 professional services colleagues are reviewed each October through a structured process based on performance and contribution.
- Any increases take into account the level of the annual cost of living award, the University's financial position & market and retention factors.
- Salary awards may be:
  - Consolidated (added to base salary and pensionable)
  - Non-consolidated (one-off payments, not pensionable)
- Korn Ferry is used to evaluate Grade 9 Professional Services roles.

In October 2024, the total value of salary uplifts for Grade 9 staff was £195,583. This included:

- £109,833 in consolidated (pensionable) increases
- £85,750 in non-consolidated payments

This represents 2.3% of the total pay pot, excluding additional pay elements or contractual bonuses.

Grade 9 Professoriate colleagues

In addition to the annual cost of living award, salaries for Grade 9 Professorial colleagues are managed through the Non-Clinical Professorial Salary Policy with decisions led at the Faculty level through Faculty Promotion Committees.

Statement of the Board of Governors' responsibilities

for the year ended 31 July 2025

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:

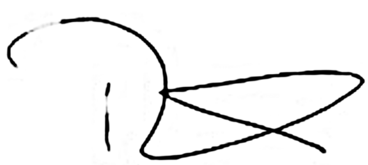
- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable UK law and accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial 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.



Mrs Philippa Hird

Chair of the Board 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 2025 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 2025 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 2027 which is more than twelve months from the date on which the financial statements were approved by the Governors. The group has 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 £14,218,000 (2024: £13,647,000) for the consolidated financial statements using 1% (2024: 1%) of group revenue as a basis. The materiality threshold for the parent institution was also determined using 1% of revenue, but was capped below the group materiality level. Materiality for the parent was £13,507,000 (2024: £13,565,000). 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% (2024: 70%) of overall materiality at £9,953,000 (2024: £9,553,000) for the group and at £9,454,000 (2024: £9,495,000) for 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 £710,000 (2024: £682,000) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. Triviality for the parent was £675,000 (2024: £678,000).

Whilst materiality for the financial statements as a whole was set at £14,218,000, each significant component of the group was audited to an overall materiality ranging between £27,000 and £126,000 (2024: between £33,000 and £116,000) with performance materiality set at 70% (2024: 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 misstatements.

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 fixed assets and the impairment of 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 material. The group consists of seven components. Five of the components were determined to be material components and were subject to full scope audits. The remaining two component were 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
Risk of fraud in revenue recognition (Total income – 2025: £1,422m, 2024: £1,365m)	
Refer to the accounting policies (pages 43 and 44); and Notes 1-6 of the Consolidated Financial Statements *Revenue is recogn*ised 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. We considered the risk of fraud in revenue recognition across the group's income *streams:* ***Research grants and contracts (2025: £303.3m; 2024: £287.8m)*** • Research income recognition requires judgement at the year-end in recognising accrued and deferred income as the revenue recognition is based on completion of research activity and meeting the recognition terms in accordance with agreements. ***Tuition fees (2025: £763.6m; 2024: £714.2m)*** • Where there are fees related to courses over the year end and at variable rates there is a risk that revenue may not be accurately recognised within the correct reporting period. ***Capital grants (included within research and other income)*** • Capital income recognition depends on judgement as to the extent of the 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. ***Other income (2025: £169.2m; 2024: £172.1m);*** • There is a risk that other income has not been accurately recorded in the correct period.	*Our audit procedures across all material revenue streams included:* • Understanding and documenting the revenue processes for each material revenue stream. • Identifying and performing a walkthrough of key controls over revenue processes for each material revenue stream. • Reviewing the accounting policies to ensure these are appropriate and consistently applied. • Reviewing the revenue receipts and transactions around the year end to ensure recognition in the correct period. *Research grants and contracts* • 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. • 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. • Reviewing project balances for any unusual balances, or balances not in line *with our expectations.* *Tuition fees* • 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. • Testing the accuracy of student numbers and type by sample testing to student records and fees to published rates for the academic year. • We tested a sample of other fee income to invoices and cash received. *Capital income* 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. *Other income* Testing a sample of other income back to source documents, such as invoice, contracts, grant agreements and cash. 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.
Valuation of defined benefit liabilities in the University of Manchester Superannuation Scheme and the Greater Manchester Pension Fund (2025: UMSS £514.6m and GMPF £85.4m, 2024: UMSS £565.5m and GMPF £95.0m)	

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<tr><td>
Refer to the accounting policies (page 47); and Notes 21 and 25 of the Consolidated Financial Statements. The University recognises three material pension schemes in the Statement of Financial Position.
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.
Accounting for the technical liabilities related to these two schemes involves significant estimation and judgement in determining the actuarial assumptions.
Management engaged an independent actuary to undertake the calculations on their behalf.
We consider there to be a risk that the gross pension liability is materially misstated as a result of inappropriate actuarial assumptions.
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Our audit procedures included:

Understanding and documenting management’s process for determining the pension assumptions and liability calculation, as performed by the independent actuary.
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.
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.
Benchmarking assumptions to publicly available information, challenging the findings of actuaries, including our own experts, as necessary.
Confirming the independence of management’s actuary and assessing their objectivity, competence, capability and scope of work.
Reviewing the accounting policies and disclosures in the financial statements to ensure compliance with accounting standards.

Based on the procedures performed, we concluded that:

the assumptions were within our acceptable range;
the disclosures within the financial statements were appropriate; and
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.

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<tr><td>Valuation of defined benefit assets in the Greater Manchester Pension Fund (2025: £84.6m, 2024: £94.2m)</td><td></td></tr>
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Refer to the accounting policies (page 47); and Notes 21 and 25 of the Consolidated Financial Statements.
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.
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.
</td><td>
Our audit procedures included:

Understanding and documenting management’s process for determining the asset roll forward.
Obtaining the report prepared by the independent actuary to gain an understanding of the key assumptions and inputs used in the calculation.
Confirming the independence of management’s actuary and assessing their objectivity, competence, capability and scope of work.
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.
Reviewing the accounting policies and disclosures in the financial statements to ensure compliance with accounting standards.

Based on the procedures performed, we concluded that the assumptions used were reasonable and the disclosures within the financial statements appropriate.
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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; 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, review of internal audit reports 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. 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 5 years, covering the periods ended 31 July 2021 to 31 July 2025.

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 and Risk 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.

David Thompson (Engagement Partner)
For and on behalf of PKF Littlejohn LLP
Registered Auditor
15 Westferry Circus, Canary Wharf, London
E14 4HD

19/11/2025

FINANCIAL STATEMENTS

For the year ended 31 July 2025

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 2025 the University held cash and cash equivalents of £213.9m, cash deposits of £360m, had net current assets of £317m, and external borrowings of £394m, comprising a £100m private placement maturing in July 2046 and a £300m listed bond maturing in July 2053. The University also has access to a £150m Revolving Credit Facility (RCF) expiring in November 2031, which had not been utilised as of 31 July 2025. The University complied with all covenant requirements for existing borrowing at 31 July 2025. All debt is unsecured. Subsequent to the year-end, the University held cash and cash equivalents of £694m at 31 October2025 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 2027, a period of 20 months. They have reviewed a base case forecast, severe but plausible downsides, and extreme reverse stress test scenarios, as well as the 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 2027.

Under all scenarios modelled (excluding the extreme reverse stress test), the University continues to hold significant cash balances and does not require use of the RCF. Even under the reverse stress test, the University would continue to have positive cash reserves and sufficient time to implement mitigating actions.

The University retains a strong financial position, supported by an A1 (stable) credit rating from Moody's, reaffirmed in June 2025. The Board has also reviewed compliance with borrowing covenants and the USS debt monitoring framework, confirming that no breaches are expected within the forecast period.

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 2027. 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 2025.
- 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 2025. 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.

Total Return

The University adopted Total Return accounting for its existing permanent endowments with effect from 1 August 2024 via resolutions passed by the Board of Governors on 10th October 2024. Total Return accounting allows the spending of permanent endowment investment gains regardless of whether they are realised / unrealised gains or dividend / interest income. This includes a proportion of the investment gains to date following a methodology approved by the Board of Governors. The amount that can be spent is called the Unapplied Total Return and the amount of the remaining permanent endowment that cannot be spent is called the Investment Fund.

Investment gains on permanent endowment assets are recognised in the Statement of Comprehensive Income as accrued. These investment gains are recorded within the Group's permanent endowment reserves within Unapplied Total Return. For permanent endowments the Unapplied Total Return is transferred to unrestricted reserves as expenditure is incurred against the charitable purposes of each endowment.

As required by UK Charity Law, the University will maintain the charitable benefit of all permanent endowments in perpetuity. This will be achieved by annually adjusting the brought forward value of the permanent endowment by the Consumer Price Index (CPI) to maintain the value in real terms. This will be shown as a transfer from the Unapplied Total Return to the Investment Fund.

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 are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, 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 2025. 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.

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.

An annual exercise is carried out by management to identify whether any indicators of impairment exist.

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.

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.

An annual exercise is carried out by management to identify whether any indicators of impairment exist.

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, contractual commitments in place with USS require the University to fund past deficits within the scheme, with a liability recorded within provisions in accordance with FRS 102 where the scheme is in deficit. The scheme was not in deficit as at 31 July 2025 (or at the end of the prior year) and therefore there were no deficit contributions during the year and there is no provision as at 31 July 2025.

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 in 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 32 '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.

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 less than 365 days old. At 31 July 2025, the total provision for doubtful debts was £10.7m. If the policy was amended to include all debt over 270 days old, the provision would increase by £0.9m as at 31 July 2025.

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 £0.2m and a 1% decrease in the yield would increase the valuation by £0.3m. At the 31 July 2025, 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 £30m 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 2025 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 a 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. This provision has now been released. Further disclosure on the USS scheme and the key assumptions on the valuation are set out in 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 are set out 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.

Prepayments

The University has recognised design and early works costs of £5.5m, in relation to the Fallowfield student residences redevelopment. These works have been funded by the University in advance of the close of the financial arrangements of the redevelopment. The University has recognised this as prepaid rent on the basis that the redevelopment will reach the close of the financial arrangements within the current financial year and that it will be accounted for as a service concession.

Consolidated statement of comprehensive income

Year ended 31 July 2025

		Consolidated		University	
	Notes	**Year Ended 31 July 2025 £'000**	Year Ended 31 July 2024 £'000	**Year Ended 31 July 2025 £'000**	Year Ended 31 July 2024 £'000
Income					
Tuition fees and education contracts	1	**763,605**	714,298	**763,605**	714,298
Funding body grants	2	**150,893**	150,980	**150,893**	150,980
Research grants and contracts	3	**303,343**	287,850	**303,343**	287,850
Other income	4	**169,265**	172,137	**169,462**	172,579
Investment income	5	**28,167**	31,212	**28,164**	31,206
Donations and endowments	6	**6,588**	8,306	**6,588**	8,306
Total income		**1,421,861**	**1,364,783**	**1,422,055**	**1,365,219**
Expenditure					
Staff costs	7	**735,992**	692,528	**723,508**	681,628
Changes in USS deficit recovery plan	7	**–**	(299,195)	**–**	(299,195)
Total staff costs		**735,992**	393,333	**723,508**	382,433
Other operating expenses	8	**487,584**	503,679	**500,596**	516,029
Depreciation and amortisation	11 &12	**91,031**	97,473	**90,978**	97,247
Interest and other finance costs	9	**22,885**	29,552	**22,885**	29,552
Total expenditure		**1,337,492**	**1,024,037**	**1,337,967**	**1,025,261**
Surplus before other gains and share of operating surplus of associates		**84,369**	**340,746**	**84,088**	**339,958**
Loss on disposal of fixed assets	12	**(1,863)**	–	**(1,863)**	–
Gain on investments (including investment properties)		**16,979**	18,135	**16,979**	18,135
Share of operating deficit in associates	15	**(2,909)**	(2,322)	**–**	–
Surplus before tax		**96,576**	356,559	**99,204**	358,093
Taxation	10	**165**	386	**200**	401
Surplus after tax		**96,741**	**356,945**	**99,404**	**358,494**
Other comprehensive income					
Actuarial gains / (losses) in respect of pension schemes	25	**16,965**	(13,516)	**16,965**	(13,516)
Total comprehensive surplus for the year		**113,706**	**343,429**	**116,369**	**344,978**
Endowment comprehensive surplus for the year		**8,454**	18,608	**8,454**	18,608
Restricted comprehensive (deficit)/surplus for the year		**(132)**	720	**(132)**	720
Unrestricted comprehensive surplus for the year		**105,384**	324,101	**108,047**	325,650
		113,706	**343,429**	**116,369**	**344,978**

All items of income and expenditure relate to continuing activities.

Consolidated Statement of Changes in reserves

Year ended 31 July 2025

(a) Consolidated	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2024	240,232	1,174	1,988,301	2,229,707
Surplus from the Consolidated statement of comprehensive income	8,454	658	87,629	96,741
Other comprehensive income	–	–	16,965	16,965
Release of restricted funds spent in year	–	(790)	790	–
Total comprehensive surplus for the year	8,454	(132)	105,384	113,706
Balance at 31 July 2025	**248,686**	**1,042**	**2,093,685**	**2,343,413**
Balance at 1 August 2023	221,624	454	1,664,200	1,886,278
Surplus from the Consolidated statement of comprehensive income	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
Balance at 31 July 2024	**240,232**	**1,174**	**1,988,301**	**2,229,707**

(b) University	Income and expenditure account			Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000
Balance at 1 August 2024	240,232	1,174	1,973,260	2,214,666
Surplus from the Consolidated statement of comprehensive income	8,454	658	90,292	99,404
Other comprehensive income	–	–	16,965	16,965
Release of restricted funds spent in year	–	(790)	790	–
Total comprehensive surplus for the year	8,454	(132)	108,047	116,369
Balance at 31 July 2025	**248,686**	**1,042**	**2,081,307**	**2,331,035**
Balance at 1 August 2023	221,624	454	1,647,610	1,869,688
Surplus from the Consolidated statement of comprehensive income	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
Balance at 31 July 2024	**240,232**	**1,174**	**1,973,260**	**2,214,666**

Consolidated Statement of Financial Position

As at 31 July 2025

		Consolidated		University	
	Notes	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Non current assets					
Intangible assets and goodwill	11	**–**	1,526	**–**	1,526
Fixed assets	12	**2,023,073**	2,038,817	**2,022,947**	2,038,716
Heritage assets	13	**258,858**	258,471	**258,858**	258,471
Investments	14	**248,848**	234,634	**250,742**	236,528
Investments in associates	15	**6,308**	9,217	**–**	–
		2,537,087	**2,542,665**	**2,532,547**	**2,535,241**
Current assets					
Stock		**1,674**	1,633	**1,674**	1,633
Trade and other receivables	16	**197,139**	200,232	**197,481**	200,768
Investments	17	**360,000**	300,000	**360,000**	300,000
Cash and cash equivalents		**213,888**	188,877	**204,944**	179,601
		772,701	690,742	**764,099**	682,002
Less: Payables: amounts falling due within one year	18	**(455,734)**	(466,799)	**(454,970)**	(465,676)
Net current assets		**316,967**	223,943	**309,129**	216,326
Total assets less current liabilities		**2,854,054**	2,766,608	**2,841,676**	2,751,567
Payables: amounts falling due after more than one year	19	**(394,186)**	(394,056)	**(394,186)**	(394,056)
Provisions					
Pension provisions	21	**(86,598)**	(111,600)	**(86,598)**	(111,600)
Other provisions	21	**(29,857)**	(31,245)	**(29,857)**	(31,245)
Total net assets		**2,343,413**	**2,229,707**	**2,331,035**	**2,214,666**
Restricted Reserves					
Income and expenditure reserve – endowment reserve	22	**248,686**	240,232	**248,686**	240,232
Income and expenditure reserve – restricted reserve	23	**1,042**	1,174	**1,042**	1,174
Unrestricted Reserves					
Income and expenditure reserve – unrestricted reserve		**2,093,685**	1,988,301	**2,081,307**	1,973,260
Total Reserves		**2,343,413**	**2,229,707**	**2,331,035**	**2,214,666**

The financial statements were approved by the Governing Body on 19th November 2025 and were signed on its behalf on that date by:

Philippa Hird
Chair of the Board and Pro-Chancellor

Professor Duncan Ivison
President and Vice-Chancellor

Carol Prokopyszyn
Chief Financial Officer

Consolidated Statement of Cash Flows

Year ended 31 July 2025

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash flows from operating activities			
Surplus for the year		**96,741**	356,945
Adjustment for non-cash items			
Depreciation and impairment	12	**89,505**	92,013
Amortisation of intangible assets	11	**1,526**	5,460
Gain on investments	14	**(16,979)**	(18,135)
Increase in stock		**(41)**	(38)
Decrease/(increase) in receivables	16	**3,093**	(8,204)
(Decrease)/increase in payables	18-19	**(786)**	4,760
Decrease in pension provision	21 & 25	**(8,037)**	(303,175)
(Decrease)/increase in other provisions	14 & 21	**(143)**	1,577
Receipt of donated assets		**(260)**	–
Share of operating deficit in associates	15	**2,909**	2,322
Adjustment for investing or financing activities			
Investment income	5	**(28,147)**	(28,471)
Interest payable	9	**17,921**	17,915
New endowments	6	**(241)**	(2,013)
Loss on disposal of fixed assets	12	**1,863**	–
Capital grant income		**(33,837)**	(32,397)
Assets transferred to other operating expenditure	11-12	**1,584**	153
Net cash inflow from operating activities		**126,671**	**88,712**
Cash flows from investing activities			
Disposal of non current asset investments	14	**1,748**	2,685
Capital grant receipts		**24,354**	20,342
Placement of deposits	17	**(60,000)**	(30,000)
Investment income		**28,147**	28,471
Payments made to acquire fixed assets	12-13	**(78,132)**	(77,737)
Payments made to acquire investments	14	**(228)**	(1,194)
Net cash outflow from investing activities		**(84,111)**	**(57,433)**
Cash flows from financing activities			
Interest paid	9	**(17,790)**	(17,790)
Endowment cash received	6	**241**	2,013
Net cash outflow from financing activities		**(17,549)**	**(15,777)**
Increase in cash and cash equivalents in the year	26	**25,011**	15,502
Cash and cash equivalents at beginning of the year	26	**188,877**	173,375
Cash and cash equivalents at the end of the year	26	**213,888**	188,877

Notes to the financial statements

Year ended 31 July 2025

1 Tuition fees and education contracts	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Full-time home students	**213,470**	217,276	**213,470**	217,276
Full-time international students	**491,117**	438,511	**491,117**	438,511
Part-time students	**30,915**	31,140	**30,915**	31,140
Short course fees	**28,053**	27,334	**28,053**	27,334
Research training support grants	**50**	37	**50**	37
	763,605	**714,298**	**763,605**	**714,298**

2 Funding body grants	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Recurrent grant				
Research England recurrent grant	**86,259**	88,116	**86,259**	88,116
Office for Students recurrent grant	**35,929**	36,286	**35,929**	36,286
Office for Students capital grant	**3,722**	729	**3,722**	729
Research England capital grant	**11,194**	11,111	**11,194**	11,111
Other recurrent grants	**3,996**	3,551	**3,996**	3,551
Specific grants				
Special initiatives	**9,793**	11,187	**9,793**	11,187
	150,893	**150,980**	**150,893**	**150,980**

The OfS Accounts Direction requirement for the analysis of Grant and fee income is set out below.

Grant and fee income analysis	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Grant income from the OfS	**42,826**	40,402	**42,826**	40,402
Grant income from other bodies	**429,340**	415,025	**429,097**	415,018
Fee income for taught awards (exclusive of VAT)	**708,661**	659,748	**708,661**	659,748
Fee income for research awards (exclusive of VAT)	**26,895**	27,215	**26,895**	27,215
Fee income from non-qualifying courses (exclusive of VAT)	**28,053**	27,334	**28,053**	27,334
	1,235,775	**1,169,724**	**1,235,532**	**1,169,717**

3 Research grants and contracts	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Research councils	**134,362**	133,827	**134,362**	133,827
UK based charities	**57,961**	53,385	**57,961**	53,385
UK central government, hospitals and health authorities	**58,896**	49,964	**58,896**	49,964
UK industry and commerce	**21,588**	21,156	**21,588**	21,156
Overseas	**28,280**	28,039	**28,280**	28,039
Other sources	**2,256**	1,479	**2,256**	1,479
	303,343	**287,850**	**303,343**	**287,850**

The above includes £17.4m (2024: £19.6m) relating to income recognised in respect of capital additions.

Included within the above is £193.3m (2024: £183.8m) 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 (2024: £nil).

4 Other income	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Residences, catering and conferences	**68,884**	66,575	**68,884**	66,575
Other grants	**46,354**	45,172	**46,111**	45,165
Income from supply of goods and services	**15,952**	11,098	**15,882**	11,098
Income from reimbursed salary costs	**15,277**	14,354	**15,271**	14,354
Premises income	**1,155**	1,922	**2,110**	2,976
Consultancy	**2,739**	2,692	**2,739**	2,692
Other capital income	**1,478**	955	**1,478**	955
Other	**17,426**	29,369	**16,987**	28,764
	169,265	**172,137**	**169,462**	**172,579**

Included within the above is £49.5m (2024: £48.4m) 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 (2024: £nil).

5 Investment income	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Interest from short-term investments	**23,300**	22,964	**23,297**	22,958
Dividend income	**–**	2	**–**	2
Endowment income	**4,847**	5,326	**4,847**	5,326
Investment income	**–**	179	**–**	179
Net interest income on defined benefit pension	**20**	2,741	**20**	2,741
	28,167	**31,212**	**28,164**	**31,206**

Notes to the financial statements (continued)

Year ended 31 July 2025

6 Donations and endowments	Consolidated		University	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
New endowments	**241**	2,013	**241**	2,013
Donations	**6,347**	6,293	**6,347**	6,293
	6,588	**8,306**	**6,588**	**8,306**

7 Staff costs	Consolidated		University	
	2025	2024	**2025**	2024
	£'000	£'000	**£'000**	£'000
Staff Costs:				
Wages and salaries	**555,215**	514,326	**544,897**	505,276
Social security costs	**65,957**	56,750	**65,071**	56,070
Pension costs	**113,795**	120,446	**112,517**	119,283
Early retirement and voluntary severance (ERVS) scheme costs	**1,025**	1,006	**1,023**	999
	735,992	692,528	**723,508**	681,628
Change in USS deficit recovery plan	**–**	(299,195)	**–**	(299,195)
	735,992	**393,333**	**723,508**	**382,433**

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 £1.4m for the year ended 31 July 2025 (2024: £1.7m).

Termination benefits (including ERVS costs) amounting to £1.7m (2024: £1.7m) were paid to members of staff who left the University or its subsidiaries for the year ended 31 July 2025. These payments were made to 234 people in the year ended 31 July 2025 (2024: 294 people). Payments of £1.0m (39 people) (2024: £1.0m, 27 people) relate to voluntary severance, and payments of £0.7m (195 people) (2024: £0.7m, 259 people) relate to statutory redundancy payments to staff who held fixed term contracts.

There were no termination payments paid to any individuals whose annual remuneration exceeded £100,000 (2024 : £0.1m paid to two individuals).

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 was released during 2023/24 giving rise to a credit of £299.2m which was disclosed separately on the face of the Statement of Comprehensive Income due to its size.

	Consolidated		University	
	2025	2024	**2025**	2024
Average staff numbers:	**No.**	No.	**No.**	No.
Academic	**3,173**	3,096	**3,173**	3,096
Research	**1,888**	1,805	**1,888**	1,805
Administrative and management	**2,149**	2,001	**1,887**	1,785
Clerical and secretarial	**2,457**	2,316	**2,457**	2,316
Technical	**2,166**	2,082	**2,166**	2,082
Total number of staff	**11,833**	**11,300**	**11,571**	**11,084**

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.

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

	Consolidated		University	
	2025 Average FTE Number of Employees	2024 Average FTE Number of Employees	**2025 Average FTE Number of Employees**	2024 Average FTE Number of Employees
£100,001 – £105,000	66	82	63	80
£105,001 – £110,000	73	40	73	40
£110,001 – £115,000	54	59	52	57
£115,001 – £120,000	34	21	33	21
£120,001 – £125,000	36	33	35	33
£125,001 – £130,000	25	9	24	8
£130,001 – £135,000	11	26	11	26
£135,001 – £140,000	20	11	20	11
£140,001 – £145,000	12	15	12	15
£145,001 – £150,000	10	10	10	10
£150,001 – £155,000	8	9	8	8
£155,001 – £160,000	12	8	12	8
£160,001 – £165,000	3	2	3	2
£165,001 – £170,000	5	3	3	2
£170,001 – £175,000	2	5	2	5
£175,001 – £180,000	6	2	6	2
£180,001 – £185,000	2	5	2	4
£185,001 – £190,000	4	3	4	3
£190,001 – £195,000	5	3	5	3
£195,001 – £200,000	5	3	4	2
£200,001 – £205,000	1	1	1	1
£205,001 – £210,000	–	3	–	3
£210,001 – £215,000	1	1	1	1
£215,001 – £220,000	–	4	–	4
£220,001 – £225,000	3	–	3	–
£225,001 – £230,000	1	1	1	1
£230,001 – £235,000	1	–	1	–
£235,001 – £240,000	1	1	1	1
£240,001 – £245,000	1	–	1	–
£245,001 – £250,000	–	1	–	1
£260,001 – £265,000	–	2	–	1
£265,001 – £270,000	1	1	–	1
£270,001 – £275,000	–	1	–	1
£280,001 – £285,000	1	–	1	–
£285,001 – £290,000	1	–	–	–
£300,001 – £305,000	–	1	–	1
£310,001 – £315,000	1	–	1	–
£345,001 - £350,000	1	–	1	–
£410,001 – £415,000	–	1	–	1
£415,001 – £420,000	1	–	1	–
	408	**367**	**395**	**357**

Notes to the financial statements (continued)

Year ended 31 July 2025

7 Staff costs (continued)	Consolidated and University	
	2025** **£'000**	2024* £'000
Emoluments of the President and Vice-Chancellor:		
Salary	**350**	260
Relocation benefits	**16**	–
Other benefits	**–**	1
Pension contributions to USS	**51**	–
Pension contributions to USS in respect of 6.3% enhanced opt-out	**–**	7
	417	**268**

Notes:
* Former President & Vice-Chancellor, Nancy Rothwell, in post until 31st July 2024
** Current President & Vice-Chancellor, Duncan Ivison, in post from 1st August 2024

Professor Duncan Ivison was appointed as President and Vice Chancellor on 1st August 2024. Professor Ivison's remuneration was published and set out in detail on the University website in April 2024 following his appointment and remains publicly available.

Remuneration for the role was assessed in 2023/24 by the Remuneration Committee of the Board with the benefit of further independent advice and recommendations were made to the Board during the period of the Search in 2023 and in respect of the appointment in 2024.

The recommendation was for the mid-point in the Russell Group for comparable remuneration - which balanced the scale and complexity of the role and of the university and the need to spend our money carefully. Whilst this meant that the total remuneration package was below the largest and comparable institutions, the Committee was comfortable that this was the right balance.

The Remuneration Committee also recommended that the opportunity to join the USS pension scheme be offered to the selected candidate as opposed to the offer of a cash alternative and the President and Vice-Chancellor has opted in to the USS pension scheme. Employer pension contributions shown relate to those required under the scheme.

In advance of starting the role, Professor Ivison joined the university senior leadership team during July 2024. For the previous financial year (period 1st to 31st July 2024), remuneration and benefits paid to Professor Ivison were £29.2k with respect to salary, £4k for employer pension contributions and £29.3k for relocation. As this relates to the previous financial year, these figures are not reflected in the tables above.

The President and Vice-Chancellor's basic salary is 10.5 times (2024: 8.1 times) the median pay of staff (£33,488) (2024: £32,323) 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. His total remuneration is 12.8 times (2024: 8.5 times) the median total remuneration of staff (£32,542) (2024: £31,559) 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).

Former Vice-Chancellor remuneration
Professor Dame Nancy Rothwell, finished her term as President and Vice-Chancellor at the University on 31st July 2024. The Remuneration Committee approved the reengagement of Professor Rothwell from 1st September 2024 to 31st August 2025 in the role of Campaign Ambassador and External Relations Adviser to the current President and Vice-Chancellor for up to 47 days. During the year to 31st July 2025, remuneration and benefits paid to Professor Dame Nancy Rothwell totalled £43.5k with respect to salary.

	2025 £'000	2024 £'000
Amount of expenses claimed by members of the Board of Governors during the year	**6**	14
Number of members of the Board of Governors claiming expenses	**10**	11

Key management personnel

Key management personnel are the members of the University Executive as defined in the Remuneration Committee Report on page 32 and comprising the President and Vice-Chancellor; Deputy President and Deputy Vice-Chancellor; the three Vice-Presidents and Deans of Faculties; Vice President for Teaching, Learning and Students; Vice President for Research; Vice-President for Regional Innovation and Civic Engagement; Vice President for Social Responsibility; Registrar, Secretary and Chief Operating Officer; Chief Financial Officer; and Executive Director of People.

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

	Consolidated and University	
	2025 **£'000**	2024 £'000
Key management personnel	**2,694**	**2,856**

The Remuneration Committee Report on page 32 sets out more detail in respect of senior staff pay.

	Consolidated and University	
	2025 **£'000**	2024 £'000
Access and Participation staff costs		
Access Investment	**2,463**	3,097
Disability Support	**4,211**	3,457
Research and Evaluation	**459**	812
	7,133	**7,366**

8 Analysis of other operating expenses	Consolidated		University	
	2025 **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Academic and related expenditure	**169,380**	162,574	**182,558**	173,461
Central administration and services	**123,565**	126,525	**119,607**	124,566
Premises	**82,385**	97,857	**80,370**	95,943
Residences, catering and conferences	**39,601**	38,499	**45,660**	44,047
Research grants and contracts	**71,578**	76,714	**71,578**	76,714
Other expenses	**1,075**	1,510	**823**	1,298
	487,584	**503,679**	**500,596**	**516,029**

Lease payments recognised as an expense in the year amounted to £27.0m for the group (2024 : £25.2m)

	2025 **£'000**	2024 £'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	**230**	221
Non-audit fees payable to the University's auditor	**6**	6
Total fees	**236**	**227**

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.

Notes to the financial statements (continued)

Year ended 31 July 2025

8 Analysis of other operating expenses (continued)	Consolidated	
	2025 **£'000**	2024 £'000
Access and Participation Costs		
Access Investment	**3,250**	3,587
Financial Support (i)	**13,597**	11,890
Disability Support (ii)	**5,273**	4,294
Research and Evaluation	**459**	826
	22,579	**20,597**

Included in these costs above is £7,133k (2024: £7,367k) which is disclosed in note 7 Staff costs.

(i) includes £48k (2024: £86k) 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 £1,551k (2024: £1,675k).

A copy of the 2024/25 Access and Participation 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 and award values.

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 area.

Access Investment spend is slightly lower due to a movement to prioritise student success activities.

Research and Evaluation spend is lower due to resetting expectations on the delivery of new OfS requirements.

9 Interest and other finance costs	Consolidated		University	
	2025 **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Other loans	**17,921**	17,915	**17,921**	17,915
Net interest cost on defined benefit pension	**4,964**	4,910	**4,964**	4,910
Unwinding of USS pension deficit funding	**–**	6,727	**–**	6,727
	22,885	**29,552**	**22,885**	**29,552**

10 Taxation	Consolidated		University	
Recognised in the Statement of comprehensive income	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Current tax				
Current tax	**(200)**	(386)	**(200)**	(401)
Foreign tax	**35**	–	**–**	–
Current tax credit	**(165)**	**(386)**	**(200)**	**(401)**
Deferred tax				
Origination and reversal of timing differences	**–**	–	**–**	–
Deferred tax credit	**–**	–	**–**	–
Total tax credit	**(165)**	(386)	**(200)**	(401)
Tax paid/(received) in year	**19**	**(356)**	**–**	**(371)**

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	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Surplus before taxation	**96,575**	356,559	**99,204**	358,093
Surplus multiplied by the standard rate of corporation tax in the UK of 25% (2024: 25%)	**24,144**	89,139	**24,801**	89,523
Effect of:				
Surplus falling within charitable exemption	**(24,801)**	(89,523)	**(24,801)**	(89,523)
Museum and galleries tax credit claim	**(200)**	(401)	**(200)**	(401)
Other differences attributable to subsidiaries and associates	**692**	399	**–**	–
Deferred tax movement	**–**	**–**	**–**	**–**
Total tax credit	**(165)**	**(386)**	**(200)**	**(401)**

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 2025

11 Intangible assets and goodwill	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Cost				
At 1 August 2024	**21,938**	22,996	**22,471**	23,529
Assets transferred to other operating expenditure	**–**	(13)	**–**	(13)
Additions at cost	**–**	–	**–**	–
Disposals	**–**	(1,045)	**–**	(1,045)
At 31 July 2025	**21,938**	21,938	**22,471**	22,471
Amortisation				
At 1 August 2024	**20,412**	15,997	**20,945**	16,530
Amortisation	**1,526**	5,460	**1,526**	5,460
Disposals	**–**	(1,045)	**–**	(1,045)
At 31 July 2025	**21,938**	20,412	**22,471**	20,945
Net book value				
At 31st July 2025	**–**	**1,526**	**–**	**1,526**

12 Tangible fixed assets

(a) Consolidated	**Freehold land and buildings £'000**	**Assets under construction £'000**	**Fixtures, fittings, tools and equipment £'000**	**Total £'000**
Cost				
At 1 August 2024	2,494,793	55,000	329,125	**2,878,918**
Transferred to other operating expenditure	–	(1,584)	–	**(1,584)**
Additions at cost	7,000	70,130	78	**77,208**
Transfers between categories	29,345	(59,099)	29,754	**–**
Disposals	(11,922)	–	(4,872)	**(16,794)**
At 31 July 2025	2,519,216	64,447	354,085	**2,937,748**
Depreciation				
At 1 August 2024	530,172	–	309,929	**840,101**
Charge for the year	66,012	–	23,493	**89,505**
Disposals	(10,059)	–	(4,872)	**(14,931)**
At 31 July 2025	586,125	–	328,550	**914,675**
Net book value				
At 31 July 2025	**1,933,091**	**64,447**	**25,535**	**2,023,073**
At 31 July 2024	1,964,621	55,000	19,196	2,038,817

(b) University	Freehold land and buildings £'000	Assets under construction £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost				
At 1 August 2024	2,492,249	55,001	325,443	2,872,693
Transferred to other operating expenditure	–	(1,584)	–	(1,584)
Additions at cost	7,000	70,130	–	77,130
Transfers between categories	29,345	(59,099)	29,754	–
Disposals	(11,922)	–	(4,872)	(16,794)
At 31 July 2025	2,516,672	64,448	350,325	**2,931,445**
Depreciation				
At 1 August 2024	526,220	–	307,757	833,977
Charge for the year	66,012	–	23,440	89,452
Disposals	(10,059)	–	(4,872)	(14,931)
At 31 July 2025	582,173	–	326,325	908,498
Net book value				
At 31 July 2025	**1,934,499**	**64,448**	**24,000**	**2,022,947**
At 31 July 2024	1,966,029	55,001	17,686	2,038,716

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 2025, freehold land and buildings included £218.0m (2024: £219.8m) in respect of freehold land which is not depreciated.

The loss on disposal of fixed assets for the year ended 31 July 2025 was £1.9m (2024 : £nil).

Included within disposals are older assets at a cost of £4.9m 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 2024/25 was as follows:

Consolidated and University Cost	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
At 1 August	258,471	258,411	258,129	257,979	257,637
Additions:					
Acquisitions purchased with specific donations	387	60	–	–	–
Acquisitions purchased with Endowment funds	–	–	282	150	275
Acquisitions purchased with University funds	–	–	–	–	67
Total cost of acquisition purchased	387	60	282	150	342
Additions	–	–	–	–	–
Total acquisitions capitalised	387	60	282	150	342
At 31 July	**258,858**	**258,471**	**258,411**	**258,129**	**257,979**

Notes to the financial statements (continued)

Year ended 31 July 2025

13 Heritage assets (continued)

The University also holds heritage assets that are not capitalised, due to their unique nature, as 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 adjusted for inflation is £1.6bn.

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.

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

– The John Rylands Library please see www.library.manchester.ac.uk/rylands/special-collections/search

– The Whitworth Art Gallery please see 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	
Analysis of closing balance	**2025 £'000**	2024 £'000	**2025 £'000**	**2024 £'000**
Interest in subsidiary undertakings (14a)	**–**	–	**1,894**	1,894
Investment properties (14b)	**2,511**	2,511	**2,511**	2,511
Investments carried at fair value through the Statement of Comprehensive Income (14c)	**246,220**	232,006	**246,220**	232,006
Investments held at cost less impairment (14d)	**117**	117	**117**	117
	248,848	**234,634**	**250,742**	**236,528**

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 2024	–	2,511	232,006	117	**234,634**
Additions	–	–	220	8	**228**
Disposals	–	–	(1,723)	(25)	**(1,748)**
Net appreciation of investment portfolio and other listed investments	–	–	17,021	(42)	**16,979**
Impairment provision in the year	–	–	(1,304)	59	**(1,245)**
At 31 July 2025	**–**	**2,511**	**246,220**	**117**	**248,848**

University	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 1 August 2024	1,894	2,511	232,006	117	**236,528**
Additions	–	–	220	8	**228**
Disposals	–	–	(1,723)	(25)	**(1,748)**
Net appreciation of investment portfolio and other listed investments	–	–	17,021	(42)	**16,979**
Impairment provision in the year	–	–	(1,304)	59	**(1,245)**
At 31 July 2025	**1,894**	**2,511**	**246,220**	**117**	**250,742**

Notes to the financial statements (continued)

Year ended 31 July 2025

14 Non current investments (continued)

(a) Interests in subsidiary undertakings

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

	Group Holding %	University 2025 £	University 2024 £	Description
University of Manchester Innovation Factory Limited	100	**50,000**	50,000	Management of intellectual property
The University of Manchester Conferences Limited	100	**2**	2	Provision of catering staff
The University of Manchester Car Parks Limited	100	**2**	2	Maintenance and running of car park facilities
Vumpine Limited	50	**50**	50	Dormant
UMSS Limited	100	**2**	2	To undertake the duty of trustee of UMSS
The University of Manchester Worldwide Limited	100	**1,843,722**	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	**–**	–	Dissolved 15 July 2025
Owens College (CLG)	100	**–**	–	Dissolved 14 January 2025
Owens College Manchester (CLG)	100	**–**	–	Dissolved 14 January 2025
Manchester University (CLG)	100	**–**	–	Dissolved 15 July 2025
UMIST (CLG)	100	**–**	–	Dissolved 14 January 2025
		1,893,778	**1,893,778**	

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 (2024: £2.5m) 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 2025 by senior management at the University and there has been no movement in year.

	Consolidated		University	
	2025	2024	**2025**	2024
(c) Investments carried at fair value	**£'000**	£'000	**£'000**	£'000
Listed investments	**242,392**	227,947	**242,392**	227,947
Other investments	**3,828**	4,059	**3,828**	4,059
	246,220	**232,006**	**246,220**	**232,006**
(d) Investments carried at cost less impairment				
Other investments	**117**	117	**117**	117
	117	**117**	**117**	**117**

15 Investments in Associates

	Consolidated		University	
	2025	2024	**2025**	2024
Analysis of closing balance	**£'000**	£'000	**£'000**	£'000
At 1 August 2024	**9,217**	11,539	**–**	–
Share of losses	**(2,909)**	(2,322)	**–**	–
At 31 July 2025	**6,308**	**9,217**	**–**	**–**

The Group had the following associated undertakings as at 31 July 2025:

Name of associate	**Class of share capital held**	**Proportion held by the University and Group**	**Share of net assets 2025 £'000**	Share of net assets 2024 £'000
Manchester Science Partnerships Limited	£1 ordinary	12.2%	**8,307**	9,781
Financial year end 30 September				
ID Manchester (trading as Sister)	£1 ordinary	35%	**(1,999)**	(564)
Financial year end 30 September				
			6,308	**9,217**

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 2025

16 Trade and other receivables	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Trade receivables	**64,333**	65,659	**64,281**	65,618
Other receivables	**2,855**	4,143	**2,310**	3,501
Accrued income on research grants and contracts	**68,017**	67,569	**68,017**	67,569
Prepayments and other accrued income	**61,484**	62,411	**61,033**	61,962
Amounts due from subsidiary companies	**–**	–	**1,390**	1,668
Amounts due from associate companies and spin outs	**450**	450	**450**	450
	197,139	**200,232**	**197,481**	**200,768**

Prepayments and other accrued income include an amount of £4m (2024: £0m) for prepaid advance works associated with an intended service concession arrangement due in over one year. There are no other debtors due in over one year on either a consolidated or university basis in the current and prior year.

17 Current investments	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Deposits maturing:				
Between three months and one year	**360,000**	300,000	**360,000**	300,000
Balance at 31 July 2025	**360,000**	**300,000**	**360,000**	**300,000**

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services 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 2025 the weighted average interest rate of these fixed rate deposits was 4.21% per annum (2024: 5.23%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 193 days (2024: 131 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	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Trade payables	**64,275**	66,318	**63,970**	66,168
Social security and other taxation payable	**17,213**	15,262	**17,136**	15,198
Amounts owed to group undertakings	**–**	–	**1,077**	465
Other payables	**35,688**	37,063	**34,734**	36,475
Deferred income on research	**169,049**	178,038	**169,049**	178,038
Accruals and other deferred income	**169,509**	170,118	**169,004**	169,332
	455,734	**466,799**	**454,970**	**465,676**

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	
	2025 **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Donations	**852**	844	**852**	844
Grant income (excluding research)	**37,485**	37,083	**37,485**	37,083
Other income	**67,707**	71,556	**67,308**	71,556
	106,044	**109,483**	**105,645**	**109,483**

19 Payables: amounts falling due after more than one year	Consolidated		University	
	2025 **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Other loans	**394,186**	394,056	**394,186**	394,056
	394,186	**394,056**	**394,186**	**394,056**

20 Borrowings	Consolidated		University	
Unsecured borrowings at amortised cost:	**2025** **£'000**	2024 £'000	**2025** **£'000**	2024 £'000
Bond	**294,586**	294,470	**294,586**	294,470
Other loans	**99,600**	99,586	**99,600**	99,586
	394,186	**394,056**	**394,186**	**394,056**
Analysis of unsecured loans:				
Due in five years or more	**394,186**	394,056	**394,186**	394,056
	394,186	**394,056**	**394,186**	**394,056**

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 and other loans

Other loans with an interest rate of 5.04%, repayable by one repayment falling due in 2046 totalling £99.6m (2024: £99.6m).

The University has in place a three year Revolving Credit Facility (RCF) of £150m which expires November 2031. The University has not yet needed to draw down against this facility.

Notes to the financial statements (continued)

Year ended 31 July 2025

21 Provisions for liabilities

(a) Consolidated	Defined benefit obligations (Note 25) £'000	Total pension provisions (Note 25) £'000	Other provisions £'000	Total £'000
Balance at 1 August 2024	111,600	111,600	31,245	**142,845**
Utilised during the year	(24,302)	(24,302)	(3,050)	**(27,352)**
Additions in year	–	–	3,837	**3,837**
Charged to the Statement of Comprehensive Income	(700)	(700)	(2,175)	**(2,875)**
Balance at 31 July 2025	**86,598**	**86,598**	**29,857**	**116,455**

(b) University	Defined benefit obligations (Note 25) £'000	Total pension provisions (Note 25) £'000	Other provisions £'000	Total £'000
Balance at 1 August 2024	111,600	111,600	31,245	**142,845**
Utilised during the year	(24,302)	(24,302)	(3,050)	**(27,352)**
Additions in year	–	–	3,837	**3,837**
Charged to the Statement of Comprehensive Income	(700)	(700)	(2,175)	**(2,875)**
Balance at 31 July 2025	**86,598**	**86,598**	**29,857**	**116,455**

Other provisions

Other provisions includes the following: £8.0m in relation to provisions for onerous contracts (2024: £8.8m), £15.0m in relation to demolition works associated with the University's residences strategy and wider University estate (2024: £15.7m), £6.0m in relation to the clawback of grant funding (2024: £5.8m) and £0.8m decommissioning costs provision (2024: £0.8m).

22 Endowment Reserves (Consolidated and University)

	Restricted Endowment			Unrestricted Endowment			
Permanent Endowments	Investment fund £'000	Unapplied total return £'000	Total £'000	Investment fund £'000	Unapplied total return £'000	Total £'000	Total £'000
Capital	146,390	–	146,390	8,589	–	8,589	**154,979**
Accumulated income	–	9,843	9,843	–	–	–	**9,843**
Balance as at 31 July 2024	146,390	9,843	156,233	8,589	–	8,589	**164,822**
Reclassification	(221)	(206)	(427)	(597)	–	(597)	**(1,024)**
Adjusted balance b/fwd as at 31 July 2024	146,169	9,637	155,806	7,992	–	7,992	**163,798**
Transfer to unapplied total return	(68,117)	68,117	–	(5,792)	5,792	–	–
New endowments	61	–	61	–	–	–	**61**
Investment income	–	3,137	3,137	–	171	171	**3,308**
Market value gains	–	10,558	10,558	–	576	576	**11,134**
Indexation transfer	2,913	(2,913)	–	84	(84)	–	**–**
Release to unrestricted reserves	–	(4,083)	(4,083)	–	(171)	(171)	**(4,254)**
Balance as at 31 July 2025	81,026	84,453	165,479	2,284	6,284	8,568	**174,047**
Represented by:							
Capital	78,113	–	78,113	2,200	–	2,200	**80,313**
Indexation	2,913	–	2,913	84	–	84	**2,997**
Unaplied total return	–	84,453	84,453	–	6,284	6,284	**90,737**
Balance as at 31 July 2025	**81,026**	**84,453**	**165,479**	**2,284**	**6,284**	**8,568**	**174,047**

	Restricted Endowment		
	Capital	Accumulated Income	Total
Restricted Expendable Endowments	**£'000**	**£'000**	**£'000**
Capital	70,810	–	**70,810**
Accumulated income	–	4,600	**4,600**
Balance as at 31 July 2024	70,810	4,600	**75,410**
Reclassification	824	200	**1,024**
Adjusted balance b/fwd as at 31 July 2024	71,634	4,800	**76,434**
New endowments	180	–	**180**
Investment income	–	1,539	**1,539**
Market value gains	5,156	–	**5,156**
Release to unrestricted reserves	(4,911)	(3,759)	**(8,670)**
Balance as at 31 July 2025	**72,059**	**2,580**	**74,639**
Represented by:			
Capital	72,059	–	**72,059**
Accumulated income	–	2,580	**2,580**
Balance as at 31 July 2025	**72,059**	**2,580**	**74,639**

Endowment Assets	**Restricted Permanent**	**Unrestricted Permanent**	**Expendable**	**Total**
The following assets are currently held in relation to endowments				
Investments	139,578	7,633	64,195	211,406
Property	17,099	935	7,864	25,898
Cash	8,802	–	2,580	11,382
Balance as at 31 July 2025	**165,479**	**8,568**	**74,639**	**248,686**

Major endowments

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

	Capital at 31 July 2024 £'000	**Accu-mulated Income at 31 July 2024 £'000**	**Invest-ment Gains £'000**	**Invest-ment Income £'000**	**New Endow-ments £'000**	**Expend-iture and transfer £'000**	**Capital at 31 July 2025 £'000**	**Accu-mulated Income at 31 July 2025 £'000**
Significant funds and charities which are over 1% of net assets								
Hallsworth Fund	39,025	1,147	2,819	837	–	(940)	41,844	1,044
Simon Fund	20,790	426	1,502	446	–	(433)	22,292	439
Funds and charities which are less than 1% of net assets								
Fellowships and scholarships (40 funds)	29,993	2,078	2,666	793	177	7,238	39,449	3,496
Prize funds (3 funds)	3,325	256	2	1	–	(3,546)	31	7
Chairs and lectureships (15 funds)	31,975	1,625	2,416	718	60	1,067	35,802	2,059
Other (38 funds)	100,681	8,911	6,889	2,052	4	(16,315)	97,886	4,337
	225,789	**14,443**	**16,294**	**4,847**	**241**	**(12,929)**	**237,304**	**11,382**

Notes to the financial statements (continued)

Year ended 31 July 2025

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 2024	–	1,174	**1,174**
New donations with restrictions	–	658	**658**
Expenditure	–	(790)	**(790)**
Balance as at 31 July 2025	**–**	**1,042**	**1,042**

24 Financial Instruments

	Consolidated		University	
Categories of financial instruments	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Financial assets				
Financial assets at fair value through Statement of Consolidated Income				
Listed investments	**242,392**	227,947	**242,392**	227,947
Other investments	**3,828**	4,059	**3,828**	4,059
Financial assets that are equity instruments measured at cost less impairment				
Other investments	**117**	117	**117**	117
Financial assets that are debt instruments measured at amortised cost				
Bank and building society deposits maturing between 3 months and one year	**360,000**	300,000	**360,000**	300,000
Cash and cash equivalents	**213,888**	188,877	**204,944**	179,601
Trade and other receivables	**67,638**	70,252	**68,431**	71,237
	887,863	**791,252**	**879,712**	**782,961**
Financial liabilities measured at amortised cost				
Loans	**394,186**	394,056	**394,186**	394,056
Trade and other payables	**99,963**	103,381	**99,781**	103,108
	494,149	**497,437**	**493,967**	**497,164**

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 £242.4m 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 2028, to include both gas and electricity (standard REGO electricity supply and solar generation).

The University held £360m 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 2025

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	
Statement of Comprehensive Income – net pension cost in year	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
USS	**85,334**	93,921	**84,428**	93,070
UMSS	**10,836**	11,443	**10,836**	11,443
GMPF	**547**	670	**547**	670
NHSPS	**4,500**	3,848	**4,500**	3,848
UoMPS	**12,447**	10,497	**12,075**	10,185
Other	**131**	67	**131**	67
Pension costs within on-going staff costs (note 7)	**113,795**	120,446	**112,517**	119,283
Change in USS deficit recovery plan	**–**	(299,195)		(299,195)
Net pension costs shown separately on the face of the Statement of Comprehensive Income				
Net interest income on defined benefit pension (note 5)	**(20)**	(2,741)	**(20)**	(2,741)
Net Interest cost on defined benefit pension (note 9)	**4,964**	4,910	**4,964**	4,910
Unwinding of USS deficit (note 9)	**–**	6,727	**–**	6,727
Total pension costs	**118,739**	**(169,853)**	**171,461**	**(171,016)**
Other comprehensive income – actuarial gains/(losses) in respect of pension schemes	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
UMSS	**17,785**	(10,079)	**17,785**	(10,079)
GMPF	**(820)**	(3,437)	**(820)**	(3,437)
	16,965	**(13,516)**	**16,965**	**(13,516)**
Balance sheet – Pension scheme deficits (note 21)	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
UMSS	**85,791**	110,731	**85,791**	110,731
GMPF	**807**	869	**807**	869
	86,598	**111,600**	**86,598**	**111,600**

(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.

The total cost charged to the Consolidated Statement of Comprehensive Income is £88.3m (2024: £93.9m) including PensionChoice. 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%. 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 2025 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"), and 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).

Price Inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI Gap	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:

	2025	**2024**
Males currently aged 65 (years)	**23.8**	23.7
Females currently aged 65 (years)	**25.5**	25.4
Males currently aged 45 (years)	**25.7**	25.6
Females currently aged 45 (years)	**27.2**	27.2

Notes to the financial statements (continued)

Year ended 31 July 2025

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. 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 and has been confirmed to remain until at least April 2026. 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.

The total pension cost for the University of Manchester was £4.5m (2024: £3.8m).

(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 £12.4m (2024: £10.5m).

(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 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 2025 is £22.8m (2024: £23.3m)

The full actuarial valuation was updated to 31 July 2025 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 below:

(d) University of Manchester Superannuation Scheme (cont'd)	**2025**	2024
Discount rate	**5.70%**	4.95%
Inflation (RPI)	**3.05%**	3.20%
Inflation (CPI)	**2.75%**	2.85%
Salary growth	**3.4% for the first year, and then 3.9% thereafter**	4.4% for the first year, 4.9% for the second and then 3.9% thereafter
Allowance for revaluation of deferred pensions of RPI or 5% if more	**3.05%**	3.20%
Allowance for revaluation of deferred pensions of CPI or 5% if more	**2.75%**	2.85%
CARE revaluation of CPI or 5% if more	**2.68%**	2.76%
Allowance for pension in payment increases of RPI or 5% if more	**2.89%**	2.94%
Allowance for pension in payment increases of CPI or 5% if more	**2.68%**	2.76%
Allowance for pension in payment increases of CPI or 3% if more	**2.13%**	2.16%
Allowance for commutation of pension for cash at retirement	**No allowance**	No allowance

The mortality assumptions adopted imply the following life expectancies:	**2025 Life expectancy at age 62 years**	2024 Life expectancy at age 62 Years
Male retiring in 2024	**21.6**	21.3
Female retiring in 2024	**24.6**	24.5
Male retiring in 2044	**22.8**	22.4
Female retiring in 2044	**25.9**	25.7

The assets and liabilities within the scheme at 31 July were as follows:	**2025 £'000**	2024 £'000
Cash and cash equivalents	**16,511**	15,316
Equities	**63,852**	68,059
Bonds	**254,966**	271,764
Property	**93,453**	99,611
Fair value of scheme assets	**428,782**	454,750
Present value of defined benefit obligation	**(514,573)**	(565,481)
Deficit in the scheme	**(85,791)**	**(110,731)**

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:

Recognised in Statement of Comprehensive Income:	**2025 £'000**	2024 £'000
Current service cost	**8,720**	9,082
Expenses	**2,116**	2,361
Total operating charge	**10,836**	11,443
Net interest cost	**4,964**	4,910
Total recognised in surplus for the year	**15,800**	**16,353**
Taken to Other Comprehensive Income:		
Return on scheme assets (excluding amounts included in net interest cost)	**(46,943)**	(6,524)
Experience gains and losses	**(6,193)**	1,669
Remeasurements – changes in demographic and financial assumptions	**70,921**	(5,224)
Total amount recognised in Other Comprehensive Income	**17,785**	**(10,079)**

Notes to the financial statements (continued)

Year ended 31 July 2025

25 Pension schemes (continued)

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

Reconciliation of opening and closing balances of the defined benefit obligation	2025	2024
	£'000	£'000
At start of year	**565,481**	547,521
Current service cost	**8,720**	9,082
Interest expense	**27,437**	27,100
Contributions by scheme participants	**113**	273
Actuarial (gains)/losses	**(64,728)**	3,555
Benefits paid	**(22,450)**	(22,050)
At end of year	**514,573**	**565,481**

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 2025 includes an allowance 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). The allowance for GMP equalisation of transfer values was made in the year ending 31 July 2021 and shown in the defined benefit cost included in the profit and loss for the year as a past service cost. It has been included as part of the defined benefit obligation since 31 July 2021. It is not included in the cost of defined benefit plans included in the profit and loss as a past service cost in subsequent years.

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 had potentially 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 were now potentially invalid, leading to additional, unforeseen liabilities. Given this, the Government reviewed and consulted on this and in June 2025 it confirmed that it intended to legislate to address the effects of this case.

Investigation into historic Scheme amendments for the University of Manchester Superannuation Scheme (alongside consideration of the proposed Government remedies) 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 2025 year end. We are therefore disclosing this issue as a potential contingent liability at the 2025 year end (Note 30) and will review again at the 2026 year end when we expect further clarity to be available.

Reconciliation of opening and closing balances of the fair value of scheme assets	2025	2024
	£'000	£'000
At start of year	**454,750**	**439,710**
Administrative expenses paid from plan assets	**(2,116)**	(2,361)
Interest income	**22,473**	22,190
Actuarial losses	**(46,943)**	(6,524)
Contributions by the University and subsidiaries	**22,955**	23,512
Contributions by scheme participants	**113**	273
Benefits paid	**(22,450)**	(22,050)
At end of year	**428,782**	**454,750**

The actual return on the scheme assets over the year ended 31 July 2025 was £24.4m loss (2024: £15.7m gain).

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:

Change in assumptions at 31 July 2025	Approximate impact on defined benefit obligation
0.5% decrease in discount rate	£0.55m increase
0.25% pa increase in inflation linked assumptions	£0.54m increase
One year increase in life expectancy	£0.53m 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 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 2024/25.

The best estimate of contributions to be paid by the University and its subsidiaries to the scheme for the year commencing 1 August 2025 is £1.4m (2024: £1.4m).

The full actuarial valuation was updated to 31 July 2025 on an FRS 102 (28) basis by a qualified actuary, independent of the scheme's sponsoring employer. This showed a net scheme surplus position of £81.1m (2024: £62.4m) 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.

Notes to the financial statements (continued)

Year ended 31 July 2025

25 Pension schemes (continued)

The major assumptions used by the actuary are detailed below:	**2025**	2024
Discount rate	**5.75%**	4.95%
Inflation (CPI)	**2.80%**	2.75%
Salary growth (composite rate)	**3.85%**	4.03%
Pension increase rate	**2.80%**	2.75%

The mortality assumptions adopted imply the following life expectancies:	**2025**	2024
	Life expectancy at age 65 Years	Life expectancy at age 65 Years
Male retiring in 2024	**19.6**	19.4
Female retiring in 2024	**22.9**	22.9
Male retiring in 2044	**21.0**	20.8
Female retiring in 2044	**24.9**	24.9

The assets and liabilities within the scheme at 31 July were as follows:	**2025**	2024
	£'000	£'000
Fair value of scheme assets	**84,567**	94,176
Present value of defined benefit obligation	**(85,374)**	(95,045)
Deficit in the scheme	**(807)**	**(869)**

The split of assets by type is as follows:	**2025**	2024
Equities	**65%**	69%
Bonds	**17%**	15%
Property	**9%**	8%
Cash	**9%**	8%

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.

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

Recognised in Statement of Comprehensive Income:	**2025 £'000**	2024 £'000
Current service cost	**547**	592
Past service cost	**–**	78
Movement in the unfunded scheme	**–**	–
Total operating charge	**547**	670
Net interest income	**(20)**	(2,741)
Total recognised in surplus for the year	**527**	**(2,071)**
The current service cost includes an allowance for administration expenses of 0.3% (2023: 0.3%) of payroll.		
Taken to Other Comprehensive Income:		
Return on scheme assets (excluding amounts included in net interest cost)	**5,204**	6,361
Remeasurements – changes in demographic and financial assumptions	**8,750**	2,084
Adjustment to reduce the scheme funded element to £nil	**(15,603)**	(9,029)
Other experience	**829**	(2,853)
Total amount recognised in Other Comprehensive Income	**(820)**	**(3,437)**

25 Pension schemes (Continued)

Reconciliation of opening and closing balances of the defined benefit obligation

Recognised in Statement of Comprehensive Income:	**2025 £'000**	2024 £'000
At start of year	**95,045**	94,128
Current service cost	**547**	592
Past service cost	**–**	78
Movement in the unfunded scheme	**(62)**	(110)
Interest expense	**4,547**	4,640
Contributions by scheme participants	**186**	195
Actuarial (gains)/losses	**(9,579)**	769
Benefits paid	**(5,310)**	(5,247)
At end of year	**85,374**	**95,045**
Analysis of defined benefit obligation		
Present value of funded liabilities	**–**	–
Present value of unfunded liabilities	**807**	869
	807	**869**

Reconciliation of opening and closing balances of the fair value of scheme assets	**2025**	2024
Recognised in Statement of Comprehensive Income:	**£'000**	£'000
At start of year	**94,176**	93,149
Interest income	**7,654**	7,381
Actuarial gains	**5,204**	6,361
Adjustment to reduce the scheme funded element to £nil	**(18,690)**	(9,029)
Contributions by the University	**1,347**	1,366
Contributions by scheme participants	**186**	195
Benefits paid	**(5,310)**	(5,247)
At end of year	**84,567**	**94,176**

The actual return on the scheme assets over the year ended 31 July 2024 was 8.3% (2024: 9.5%)

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:

Change in assumptions at 31 July 2025	Approximate impact on defined benefit obligation
0.1% decrease in discount rate	1% or £1.2m increase
0.1% pa increase in salary increase rate	0% or £0.1m increase
0.1% pa increase in pension increase rate	1% or £1.2m increase
One year increase in life expectancy	4% or £3.4m 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%.

Notes to the Accounts (continued)

Year ended 31 July 2025

26 Reconciliation of cash flow to Statement of Financial Position

	At 1 August 2024 £'000	Cash Flows £'000	**At 31 July 2025 £'000**
Cash and cash equivalents	188,877	25,011	213,888
	188,877	**25,011**	**213,888**

27 Consolidated reconciliation of net cash

	At 1 August 2024 £'000	Cash Flows £'000	Non cash changes £'000	**At 31 July 2025 £'000**
Cash and cash equivalents	188,877	25,011	–	**213,888**
Current investments (note 17)	300,000	60,000	–	**360,000**
Debt due after one year (note 20)	(394,056)	–	(130)	**(394,186)**
Net cash	**94,821**	**85,011**	**(130)**	**179,702**

28 Capital and other commitments

	Consolidated		University	
Provision has not been made for the following capital commitments at 31 July 2025	**2025 £'000**	2024 £'000	**2025 £'000**	2024 £'000
Authorised not contracted for	**139,566**	162,260	**139,566**	162,260
Contracted not provided	**44,353**	33,591	**44,353**	33,591
	183,919	**195,851**	**183,919**	**195,851**

29 Lease obligations

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

	Consolidated			
	Land & Buildings £'000	Other Leases £'000	**2025 Total £'000**	2024 Total £'000
Payable during the year	24,878	1,792	**26,670**	24,274
Future minimum lease payments due:				
Not later than one year	12,422	1,625	**14,047**	24,648
Later than one year but not later than five years	17,503	2,756	**20,259**	35,984
Later than five years	11,300	869	**12,169**	15,147
Total lease payments due	**41,225**	**5,250**	**46,475**	**75,779**

	University			
	Land & Buildings £'000	Other Leases £'000	**2025 Total £'000**	2024 Total £'000
Payable during the year	23,346	1,073	**24,419**	21,899
Future minimum lease payments due:				
Not later than one year	10,890	905	**11,795**	22,273
Later than one year but not later than five years	14,523	2,227	**16,750**	33,218
Later than five years	11,300	869	**12,169**	15,147
Total lease payments due	**36,713**	**4,001**	**40,714**	**70,638**

30 Contingent liabilities	Consolidated		University	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
Undrawn investment commitments	**456**	676	**456**	676
	456	**676**	**456**	**676**

A commitment of up to £2.5m (2024: £2.5m) to invest in the Epidarex Capital III Fund has been given by the University. To date £2.0m (2024: £1.8m) has been invested in the Fund. It is anticipated that the remainder of the investment commitment will be requested within the next six years.

Pension Schemes defined benefit obligations

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.

In June 2025 the Department for Work and Pensions confirmed that the Government will introduce legislation to give affected pension schemes the ability to, retrospectively, obtain written actuarial confirmation that confirmations around historic benefit changes met the necessary standards. Further detail on the approach and process for this retrospective confirmation is expected to follow in due course.

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 2025 year end. The issue is disclosed as a potential contingent liability at the 2025 year end and will review again at the 2026 year end when we expect further clarity to be available.

2023 Cyber attack

The Information Commissioners Office investigation into issues arising from the cyber attack on the University in 2023 continues. We are unable to quantify either the likelihood or value of any possible fine because of the number of variables and uncertainty at the point of signing the accounts. Our insurance would not cover any fine that were issued.

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 University Executive 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 University Executive may have an interest. All transactions involving organisations in which a member of the Board or University Executive 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:

Notes to the financial statements (continued)

Year ended 31 July 2025

31 Related party transactions (continued)

	Income recognised within the financial statements £'000	Expenditure recognised within the financial statements £'000	Balance due to the University recognised within the financial statements £'000	Balance due from the University recognised within the financial statements £'000
Engineering & Physical Sciences Research Council	68,477	–	896	–
Manchester University NHS Foundation Trust	22,581	11,514	7,549	3,545
The British Academy	1,242	41	–	1,191
The Rosalind Frankin Institute	9	389	–	92
Uniac	11	394	–	–
University of Manchester Students' Union	1,622	833	622	116
Innovate UK	15,629	52	–	237
GCHQ	825	–	175	–
N8 Research Partnership	108	80	–	–
Carl Zeiss Group	13	1,417	13	28
National Institute for Health and Care Excellence	1,138	–	–	–
UKRI – Research England	42	115	6	3
	111,697	**14,835**	**9,261**	**5,212**

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 University Executive was a board member of EPSRC during the year to July 2025.

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 University Executive was a non executive director of the Trust during the year to July 2025.

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 University Executive is Vice President and Treasurer 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 University Executive was a board member of The Rosalind Franklin Institute during the year to July 2025.

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 University Executive is a board member at Uniac.

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.

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 for the Knowledge Asset Grant Fund at Innovate UK.

GCHQ

Government Communications Headquarters is a British intelligence and security agency which works to protect the UK from threats like terrorism, cyberattacks, and espionage. One member of the University Executive is on secondment at GCHQ.

N8 Research Partnership

The N8 Research Partnership is a collaboration of the eight most research intensive Universities in the North of England: Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York. Working with universities, industry and society, N8 aims to maximise the impact of this research base by promoting collaboration; establishing innovative research capabilities and programmes of national and international prominence; and driving economic growth. One member of the Board of Governors is a board member of N8 Research Partnership.

Carl Zeiss Group

ZEISS is an internationally leading technology enterprise operating in the optics and optoelectronics industries. One member of the University Executive is a member of the Scientific Advisory Board at Carl Zeiss.

National Institute for Health and Care Excellence

National Institute for Health and Care Excellence produces useful and usable guidance for the NHS and the wider health and care system. It helps practitioners and commissioners get the best care to people, fast, while ensuring value for the taxpayer. One member of the University Executive is a member of the guideline development group for the National Institute for Health and Care Excellence.

UKRI – Research England

Research England is responsible for funding and engaging with English higher education providers, to create and sustain the conditions for a healthy and dynamic research and knowledge exchange system in the higher education sector. One member of the University Executive is a member of Research England's Council.

32 Amounts disbursed as agent (Consolidated and University)

DFE – Student training bursaries (formerly the National College for Teaching and Leadership)

	2025 £'000	2024 £'000
Balance unspent at beginning of year	**59**	95
Department for Education (formerly Funding Council) grants	**4,329**	3,860
Disbursed to students	**(4,192)**	(3,896)
Balance unspent at year end	**196**	**59**

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.

Notes to the financial statements (continued)

Year ended 31 July 2025

33 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.

Location	UK Description	US description	2024 / 2025		2023/ 2024	
			£'000	£'000	£'000	£'000
Expendable Net Assets						
Consolidated statement of financial position	Income and expenditure reserve – unrestricted reserve	Net assets without donor restrictions	–	2,093,685	–	1,988,301
Consolidated statement of financial position	Income and expenditure reserve – endowment reserve, Income and expenditure reserve – restricted reserve	Net assets with donor restrictions	–	249,728	–	241,406
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	9,261	–	4,815	–
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	–	9,261	–	4,815
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)	2,284,442	–	2,299,799	–
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	–	1,392,928	–	1,424,458
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 2024	Property, plant and equipment – post-implementation without outstanding debt for original purchase	–	827,067	–	802,921

Location	UK Description	US description	2024 / 2025		2023/ 2024	
			£'000	£'000	£'000	£'000
Expendable Net Assets						
Note 12 Tangible fixed assets	Assets under construction	Construction in progress	–	64,447	–	55,000
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	–	–	–	–
Consolidated statement of financial position	Intangible assets and goodwill	Intangible assets – other	–	–	–	1,526
Consolidated statement of financial position	Pension provisions	Post-employment and pension liabilities	–	86,598	–	111,600
Consolidated statement of financial position	Borrowings: amounts falling due after more than one year at 31 July 2025	Long-term debt – for long term purposes	394,186	–	394,056	–
Consolidated statement of financial position	Borrowings: amounts falling due after more than one year at 31 July 2025	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 2024/25	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 2025	Term endowments with donor restrictions	–	74,639	–	75,410
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 2025	Net assets with donor restrictions: restricted in perpetuity	–	174,047	–	164,822

Notes to the financial statements (continued)

Year ended 31 July 2025

Location	UK Description	US description	2024 / 2025		2023/ 2024	
			£'000	£'000	£'000	£'000
Total Expenses and Losses						
Consolidated statement of comprehensive income	Total expenditure	Total expenses without donor restrictions – taken directly from Statement of Activities	–	1,337,493	–	1,024,037
Consolidated statement of comprehensive income	Investment income, Gain on investments (including investment properties), Share of operating deficit in associates, Actuarial gains / (losses) in respect of pension schemes	Non-Operating and Net Investment (loss)	–	-59,202	–	-33,509
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	–	-45,146	–	-49,547
n/a	Not applicable	Pension-related changes other than net periodic costs	–	–	–	–
Modified Net Assets						
Consolidated statement of financial position	Income and expenditure reserve – unrestricted reserve	Net assets without donor restrictions	–	2,093,685	–	1,988,301
Consolidated statement of financial position	Income and expenditure reserve – endowment reserve, Income and expenditure reserve – restricted reserve	Net assets with donor restrictions	–	249,728	–	241,406
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
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	9,261	–	4,815	–
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	–	9,261	–	4,815
Modified Assets						
Consolidated statement of financial position	Non current assets, Current assets	Total Assets	–	3,309,788	–	3,233,407
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	–	–	–	–

Location	UK Description	US description	2024 / 2025		2023/ 2024	
			£'000	£'000	£'000	£'000
Modified Assets						
Consolidated statement of financial position	Intangible assets and goodwill	Intangible assets – other	–	–	–	1,526
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Secured and Unsecured related party receivable	9,261	–	4,815	–
Note 31 Related party transactions	Balance due to the University recognised within the financial statements	Unsecured related party receivable	–	9,261	–	4,815
Net Income Ratio						
Consolidated statement of comprehensive income	Unrestricted comprehensive surplus for the year	Change in Net Assets Without Donor Restrictions	–	105,383	–	324,101
Consolidated statement of financial position	Total income less Investment income	Total Revenue and Gains	–	1,393,694	–	1,333,571

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