



University of
Salford
MANCHESTER

INTEGRATED REPORT 2022

Financial Statements for the
year ended 31 July 2022

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CONTENTS

OUR UNIVERSITY	4
VALUE CREATION	8
PERFORMANCE	10
THE WORLD AROUND US	14
STRATEGY UPDATE	16
STRATEGY & OPERATIONAL REVIEW	18
PREPARING OUR STUDENTS FOR THE FUTURE	18
LOCAL ROOTS, GLOBAL AMBITION	22
INNOVATION – INTENSIFYING INDUSTRY COLLABORATION	24
PEOPLE, DIGITAL, CAMPUS	28
ENVIRONMENTAL SUSTAINABILITY	30
RISK	34
PUBLIC BENEFIT	36
FINANCIAL PERFORMANCE	38
GOVERNANCE	42
STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF INTEGRATED REPORT AND THE FINANCIAL STATEMENTS	50
INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF SALFORD	52
CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME & EXPENDITURE	56
CONSOLIDATED STATEMENT OF CHANGE IN RESERVES	58
INSTITUTION STATEMENT OF CHANGE IN RESERVES	59
CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION	60
CONSOLIDATED STATEMENT OF CASH FLOWS	61
STATEMENT OF ACCOUNTING POLICIES	62
CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS	68
NOTES TO THE ACCOUNTS	70

OUR UNIVERSITY

ABOUT THIS REPORT

Welcome to the University of Salford's 2022 integrated report. This report covers our University strategy, performance, governance and prospects. It aims to explain how, over time, we create value for our stakeholders – not only as a higher education provider, but as an active contributor to the Greater Manchester region and society as a whole. In this year's report we:

- provide an overview of the University
- summarise our value creation model
- report on our performance against corporate indicators
- provide an update on our corporate strategy
- outline the major factors in our operating environment
- report on our operational activities
- explain our approach to risk
- review financial performance over the past year
- provide a view of our future prospects
- describe our governance structure

BUILDING THE FUTURE

The theme of our 2022 integrated report is Building the Future. We have remained focused on delivering our ambitions throughout the challenging circumstances of Covid-19 and this year represents major progress in two strategic areas. Firstly, we have completed a refresh of our corporate strategy, confirming our goals for the next five years. These will see us build on our existing strengths, accelerate development in priority areas, and ensure that our university continues to thrive in a complex and sometimes volatile external environment. Secondly, the completion of two key buildings in our masterplan – Energy House 2.0 and a new School of Science, Engineering and Environment – is transforming the campus experience for students, colleagues, partners and the local community.

ABOUT OUR APPROACH TO INTEGRATED REPORTING

We recognise the value an integrated approach brings to our annual reporting. This report aims to set out the result of integrated thinking: the active consideration of the relationships between the different functional areas of the University and our resources. We draw upon a framework developed by the International Integrated Reporting Council (IIRC) to help us to put into practice the guiding principles of integrated reporting to make more effective use of resources, improve decisions and enhance accountability, stewardship, transparency and trust. The purpose of our integrated report is to show how we create value over time for our students, colleagues, partners, investors and regulators in a way that is meaningful and meets their needs. We use quantitative data to evidence our performance and connect this to narratives on progress and performance, and case studies, to provide context. See our [Value Creation model](#).

US

OUR PURPOSE

Through education, research and enterprise, we harness the skills, imagination and enthusiasm of our students and staff to work in partnership to change people and communities and deliver lasting economic and social benefit.

OUR VISION

By pioneering exceptional industry partnerships, we will lead the way in real world experiences that prepare students for life.

Our vision makes a bold statement; it is ambitious, yet firmly rooted in experience.

Our forward-thinking approach has powered progress for 125 years. Today, our unstoppable institution is bolstered by countless industry initiatives and innovative research programmes, building a thriving education community in Salford and beyond.

Our four Schools, covering areas of the arts, media, creative technologies, business, health, society, science, engineering and the environment, are the engine room of our university. Through their expert and industry-informed knowledge they provide our graduates with the necessary skills, experience, social capital, civic engagement, confidence and resilience to improve the lives of local and global communities.

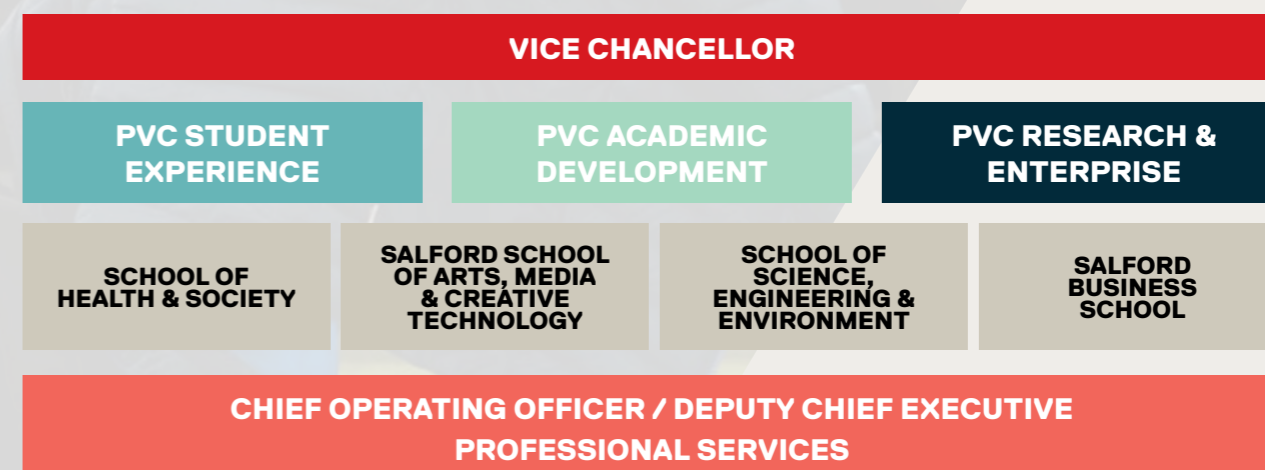
Our researchers tackle issues across: environmental change; the need to move to a sustainable model for the economy; achieving net zero; technological transformation; political splintering; conflict; security;

maintaining and improving social cohesion and human connection; and meeting increasing physical and mental health needs.

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

- Radiography, Social Policy, Physiotherapy and Social Work are all top 20 subjects in The Times Good University Guide 2022
- Third largest provider of nursing in the UK supporting the NHS with 400 graduates per year
- Launched an innovative apprenticeship to train new recruits into Greater Manchester Police
- Our arts and media graduates have received several external awards including four out of eight at the most recent Royal Television Awards for the student categories
- Supported the success of the Greater Manchester economy through the SME Help to Grow programme delivered by our Business School.

OUR STRUCTURE



IN DISCUSSION WITH THE VC



PROFESSOR HELEN MARSHALL TALKS TO MULTIMEDIA JOURNALISM STUDENT AROOB RAJA ABOUT HOW OUR REVISED CORPORATE STRATEGY WILL HELP US TO BUILD ON OUR STRENGTHS

“

The twin pillars of education and research are the core of what we do. And this strategy sets out our aspiration to become a top 50 university for both our teaching and our research.

”

What have been your highlights over the last 12 months?

The fact we've come back to a sort of normal has been fantastic. We can't forget that Covid is still around, so we've got to just be a bit careful, but it has been a great year.

We've welcomed our new Chancellor, Lucy Meacock and she's a fantastic lady. She's incredibly committed to Salford as an area and to the University. I am really looking forward to working with her, she will be an incredible advocate for us.

Another massive highlight has been our Research Excellence Framework (REF) results. They represent a fantastic achievement by our colleagues.

We've also refreshed our corporate strategy for the next five years. This is very much a living document and not one that will gather dust on a shelf. It reaffirms our commitment as an anchor institution for Salford and as a civic university supporting our students, our local community and our wider city region. We are building a campus that is fit for the future, ensuring that our buildings continue to help those that work within them achieve their best.

Can you tell me more about what the strategy refresh means in practice?

It takes us to the next stage of our industry collaboration strategy. Industry collaboration is in everything we do, and that has been the case for the last five or six years. We are now in a space where we've got significant industrial partners collaborating with us. We are working with Siemens, TalkTalk, GCHQ and Lang O'Rourke and a whole host of SME's in the Industry 4.0 sectors.

For me, the next stage of the strategy is building on those fantastic relationships for the benefit of our students and the economy nationally. We've got the North of England Robotics Innovation Centre where our experts will work with medium and small companies to update their working practices using robotic functions. If you go onto campus and look at the Barratt 'Zed' house, or inside Energy House 2.0, you'll see industry and our researchers working hand in hand.

The twin pillars of education and research are the core of what we do. And this strategy sets out our aspiration to become a top 50 university for both our teaching and our research. Importantly, we have made a commitment to provide this in an inclusive and fully diverse community.

“

We are building a campus that is fit for the future, ensuring that our buildings continue to help those that work within them achieve their best.

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The connection between industry and the student experience is critical, we need to make sure that students have the skills to succeed in whatever career path that they choose. They need to be adaptable and confident in an ever-changing environment. That's why we collaborate with employers to make sure that our courses are demand-led and have real-world learning embedded into the curriculum. Our commitment to our students comes at all levels whatever stage they are at in their lives or in their career.

What does that commitment to lifelong learning look like from the University's perspective?

The speed of change in certain industries is phenomenal and resulting in significant changes to many jobs. We're seeing increasing automation of complex tasks that previously only humans could do. Coupled with sophisticated developments in robotics, AI and machine learning, more workers find they need to upskill in order to make sure their skills move into the current space. We're here to support industry and individuals with developing new skills that meet current and future needs.

Our Institute of Technology for Greater Manchester will be very much centred around the region's priority industries - health innovation, advanced materials, manufacturing and low carbon. It will have short courses and reskilling as a core part of its offer. Lifelong learning is going to be increasingly important and we've got the partnerships, expertise, equipment and facilities to support the Greater Manchester economy.

And at the early end of the scale, in partnership with national charity IntoUniversity and The University of Manchester we are launching a hub in the heart of Salford, where together we'll run a range of programmes to raise aspirations and improve academic attainment for young people aged 7-18. Every year, over 1,000 primary and secondary school pupils will be introduced to higher education through a tailored programme of workshops, out of school study, aspirational coaching, and personal support sessions. We're really proud of this collaborative initiative that will make such a difference to children in our community.

What impact has government policy had on the University over the last year?

We are just starting to see the impact now and there is no doubt given the political turmoil we have seen in recent months that there is more to come.

We are moving into a world that is very data driven and, for Government, it's all about outcomes. Student outcomes is what the government believes is the value that students receive in relation to their tuition fees, looking at measures such as progression and employability outcomes. The Government is very focused on our outputs, rather than the way we teach, do research or other things, and that is a real headspace change.

One of the big frustrations for me is that in September 2022, we will be in year 11 of a fee around £9,000. In real terms the value of the tuition fee has fallen, yet our costs have risen - be it for pay awards, increased costs in pensions contributions, our utility bills, and increases in costs of consumables to support learning and teaching. In the same way we all individually see the cost of living rising, the same is true for us as a university too. We are coping but it is challenging and for the sector it is a very testing environment.

It is very difficult to say what is coming next but we continue to focus on our students, our research, our industry partnerships and on our people.

Lastly, what are your hopes for the University over the next coming 12 months?

I will be retiring in the summer 2023 so the coming 12 months will be my final year as Vice-Chancellor at Salford, and I would encourage everyone to be asking 'ok, where can we go next? What are the next three or four steps on the ladder?'

We are climbing up and Salford is getting noticed. We have lots of people knocking on our door wanting to work with us - too many in fact, but that's good! But less positively, it is going to be a challenging period economically for the whole country and I don't think the university sector is going to be singled out by the government and given any special support. Making sure that we are financially stable and sustainable is going to be important. Looking after our students and our people will be critical to weather this next turbulent period. We have come a long way in the last 8 or so years and the whole university community should be proud of what has been achieved.

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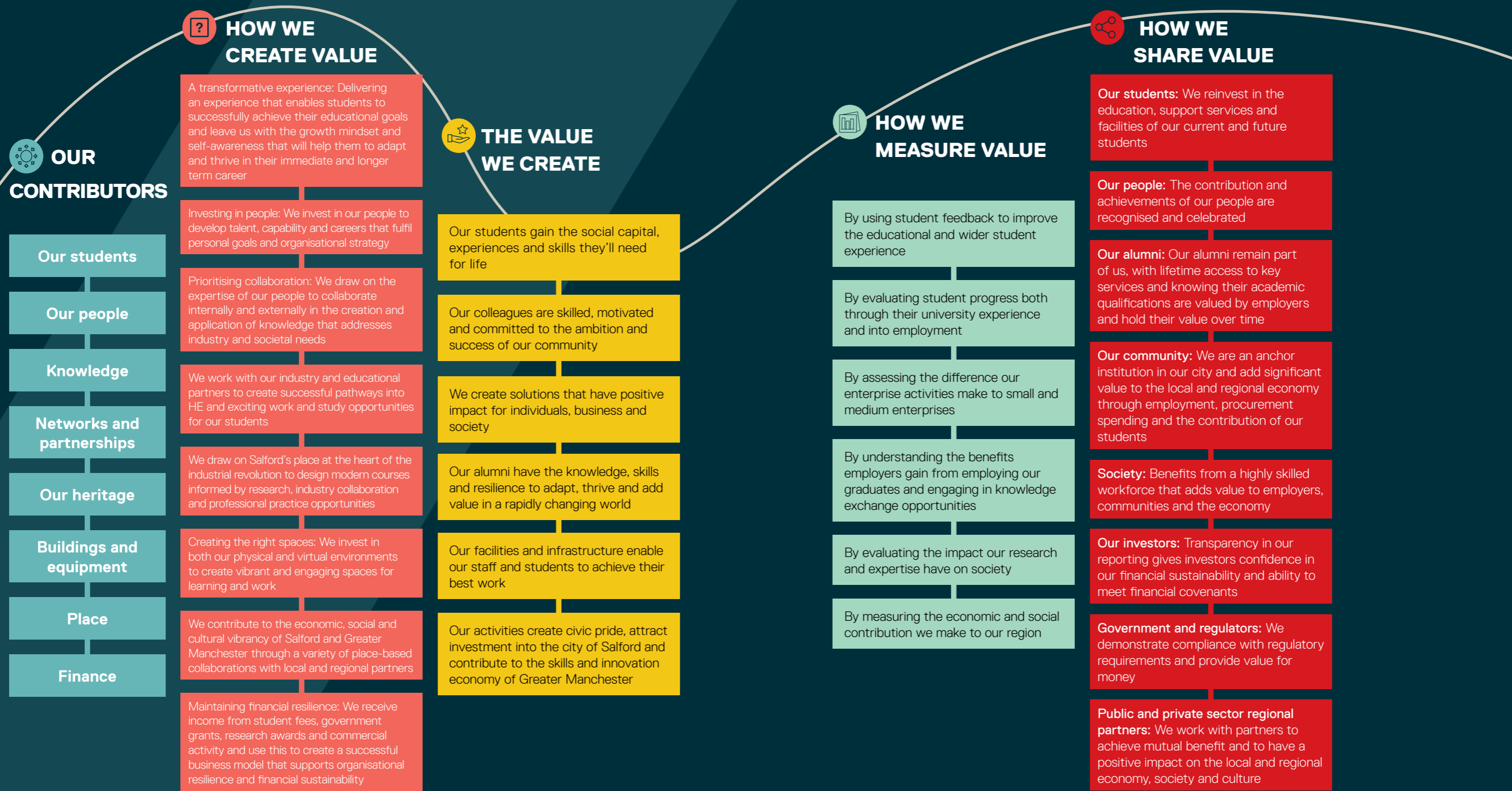
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VALUE CREATION

We create value over time by focusing our energy on what matters to our students, staff, partners and society. We do this by equipping students with the knowledge and skills they'll need for life; building partnerships with large and small enterprises across the public, private and civic sectors; and enabling research which addresses societal needs.

Drawing on the resources available to us – our contributors - we generate and sustain financial and non-financial value for our stakeholders. We have included examples of our work and achievements in this report to demonstrate how we deliver positive change for individuals, communities, the economy and society.



OUR CONTRIBUTORS

- Our students
- Our people
- Knowledge
- Networks and partnerships
- Our heritage
- Buildings and equipment
- Place
- Finance

HOW WE CREATE VALUE

A transformative experience: Delivering an experience that enables students to successfully achieve their educational goals and leave us with the growth mindset and self-awareness that will help them to adapt and thrive in their immediate and longer term career

Investing in people: We invest in our people to develop talent, capability and careers that fulfil personal goals and organisational strategy

Prioritising collaboration: We draw on the expertise of our people to collaborate internally and externally in the creation and application of knowledge that addresses industry and societal needs

We work with our industry and educational partners to create successful pathways into HE and exciting work and study opportunities for our students

We draw on Salford's place at the heart of the industrial revolution to design modern courses informed by research, industry collaboration and professional practice opportunities

Creating the right spaces: We invest in both our physical and virtual environments to create vibrant and engaging spaces for learning and work

We contribute to the economic, social and cultural vibrancy of Salford and Greater Manchester through a variety of place-based collaborations with local and regional partners

Maintaining financial resilience: We receive income from student fees, government grants, research awards and commercial activity and use this to create a successful business model that supports organisational resilience and financial sustainability

THE VALUE WE CREATE

Our students gain the social capital, experiences and skills they'll need for life

Our colleagues are skilled, motivated and committed to the ambition and success of our community

We create solutions that have positive impact for individuals, business and society

Our alumni have the knowledge, skills and resilience to adapt, thrive and add value in a rapidly changing world

Our facilities and infrastructure enable our staff and students to achieve their best work

Our activities create civic pride, attract investment into the city of Salford and contribute to the skills and innovation economy of Greater Manchester

HOW WE MEASURE VALUE

By using student feedback to improve the educational and wider student experience

By evaluating student progress both through their university experience and into employment

By assessing the difference our enterprise activities make to small and medium enterprises

By understanding the benefits employers gain from employing our graduates and engaging in knowledge exchange opportunities

By evaluating the impact our research and expertise have on society

By measuring the economic and social contribution we make to our region

HOW WE SHARE VALUE

Our students: We reinvest in the education, support services and facilities of our current and future students

Our people: The contribution and achievements of our people are recognised and celebrated

Our alumni: Our alumni remain part of us, with lifetime access to key services and knowing their academic qualifications are valued by employers and hold their value over time

Our community: We are an anchor institution in our city and add significant value to the local and regional economy through employment, procurement spending and the contribution of our students

Society: Benefits from a highly skilled workforce that adds value to employers, communities and the economy

Our investors: Transparency in our reporting gives investors confidence in our financial sustainability and ability to meet financial covenants

Government and regulators: We demonstrate compliance with regulatory requirements and provide value for money

Public and private sector regional partners: We work with partners to achieve mutual benefit and to have a positive impact on the local and regional economy, society and culture

PERFORMANCE

We set performance targets that define our ambition within our strategic priorities and allow us to track the value we are creating in these areas. Our performance is demonstrated across the targets set for 2021-22.

Overall, our performance this year indicates we are making a recovery from the effects of the pandemic. The impact of our focus on the student experience – through our Enabling Student Success work – is evident across our improving performance in student satisfaction and quality outcomes. Overall student recruitment has remained strong, particularly in international markets, enabling us to complete the year on a sound financial footing.

By their nature, performance indicators are expressed and assessed in quantitative terms. While they are a valuable component of our reporting, transparency and accountability, the data does not capture the richness of the underpinning activities of our performance. For example, the periodic nature of the Research Excellence Framework means our major achievements in the 2021 assessment cycle are not reflected in this year's performance results. We

supplement analysis of performance against targets with just a few of the many successes we have celebrated this year.

2021-22 is the last year of reporting against the suite of performance indicators below, marking the end of the corporate strategy period. Performance against our targets for 2027 will be reported next year, following the first full year of our revised corporate strategy.



Key:

✓ Met or exceeded target — Within 5% of target ✗ Missed target

UNIVERSITY CORE INDICATORS	ACTUALS			TREND	HIT TARGET	PROGRESS
	19-20	20-21	21-22			
Teaching on my course (%)	81	75	77		—	Performance has improved across all three NSS categories and we continue to outperform the sector on Assessment and Feedback. Our Enabling Student Success work is closing the gap to the sector average in the other areas.
Assessment & Feedback (%)	75	69	70		—	We have a specific focus on Organisation and Management with academic and professional services teams working closely together to improve future performance.
Organisation & Management (%)	70	64	65		✗	Student satisfaction across the sector remains below pre-pandemic levels.
Graduates in professional employment or further study (%)	70	67	67		—	The proportion of graduates in highly skilled work or further study has improved by just under 1% (from 66.5% in 2020-21 to 67.4% in 2021-22), holding performance in the pandemic.
Progression (%)	82.7	81.9	77.4		✗	We saw a change in the profile of clearing entrants in 2021-22 and there is further work to do on student support.
Research & Knowledge Exchange (£'000s)	11,938	11,948	13,242		✗	Although improving, research and enterprise income, especially linked to Salford Professional Development's CPD courses, are still to fully recover from the pandemic.
Citations Impact (Field weighted)	1.28	1.26	1.34		✓	The most recent five-year average shows performance has recovered from the minor change reported in 2020-21.
Controllable day to day operating surplus as % of income	3.8	7.1	8.2		✓	The controllable day to day operating surplus looks at underlying operating performance and excludes pension factors that distort the performance and are outside our ability to control in the short term. Calculation is detailed in the Financial Performance section.
Pay to income ratio % (excluding exceptional costs)	58.5	53.9	50.7		—	The pay ratio is below target with higher than target vacancies. This reflects the difficulties in recruiting in the current employment market.
Overall student recruitment (headcount)	26,247	29,442	30,957		✓	2021-22 academic year has seen overall growth continue. Whilst the home undergraduate market was challenging, we have been very successful in attracting overseas students, mainly at postgraduate taught level, which has offset the domestic market shortfall. Early indications for 2022-23 show that we have had a strong recovery for the domestic market and we are confident about the continued growth of the student body.
Inward international student recruitment including distance learning (headcount)	1,656	2,921	4,248		✓	The UK remains a country of choice for international education and post-study work opportunities. Our strong on-campus growth in our primary markets of India and Nigeria continues, with increasing diversification in recruitment from Pakistan, Bangladesh and Kuwait. We expect growth to continue but at a slower rate as some international markets readjust to new economic challenges and increasing competition post-Covid.
TNE: Transnational Education taught outside the UK recruitment (headcount)	4,126	4,784	4,734		✓	British University Bahrain and Robert Kennedy College continue to be our flagship partners and have delivered increased recruitment. We have consolidated our partner portfolio and made efficiencies in our wraparound services. Changes to the shape of the academic year are being implemented in ways to ensure we can operate academic schedules that align to global demand. New partner developments are in train in India and Nigeria, and we are exploring opportunities in Pakistan and Vietnam.
Building quality – A+B (%)	90	92	92		✓	Performance reflects a minimum baseline and will improve over time with the delivery of our Campus Masterplan.

SOME HIGHLIGHTS OF THE YEAR 21-22

SEPTEMBER 2021

As students returned in September the Manchester Safezone Alliance was launched by The University of Manchester, the University of Salford and Manchester Metropolitan University. In conjunction with CriticalArc, this global first enables the three security control rooms to extend the footprint of 24/7 support beyond their campus boundaries with security staff from each campus providing reciprocal support to each other's staff and students. This dual city-wide initiative further enhances the safety and wellbeing of everyone in our shared student community.

OCTOBER 2021

GROUND WAS BROKEN ON THE £16 MILLION NORTH OF ENGLAND ROBOTICS INNOVATION CENTRE (NERIC)

NERIC is part of the £2.5 billion Crescent masterplan, a 240-acre major regeneration scheme being delivered by the University of Salford, Salford City Council and development partner, The English Cities Fund and is due to open early in 2023.

The NERIC facility is part funded by the European Regional Development Fund (ERDF) and will enable the University's robotics and automation specialists to expand their work with Small and Medium size Enterprises in the region and around the country to provide solution development, design, testing and validation of digital innovation.



MAY 2022

ACOUSTICS TO COLLABORATE ON NEW £1.6 MILLION GRANT TO ENHANCE MUSIC FOR PEOPLE WITH AUDIO IMPAIRMENTS

Our Acoustics Research Centre was awarded a grant from the Engineering and Physical Sciences Research Council to [investigate adaptations to music for those with hearing loss](#). The new Cadenza project aims to better define what music personalised for someone with a hearing loss should sound like and exploit the latest in machine learning to create improved music listening experiences. The grant of £1.6 million is a collaborative partnership that will see the University work alongside academic colleagues at Sheffield, Leeds and Nottingham as well as industry with the involvement of the BBC, Google and Logitech and user engagement via the Royal National Institute for the Deaf.

LAW STUDENT JACK WHITTAKER WAS NAMED FUTURE LAWYER OF THE YEAR IN A NATIONAL COMPETITION AND EARNED A TRAINING CONTACT WITH A TOP LAW FIRM

"I want to challenge the idea that Russell Group university students are more likely to gain training contracts over non-Russell Group university students. If you study really hard and take advantage of all the extracurricular activities then there is nothing stopping you achieving your dreams. The support at Salford from my tutors has been fantastic, accompanied by my own hard work and determination, has given me this wonderful opportunity."

2022

JANUARY 2022

The new year kicked off with a Transatlantic triumph when, in a first of its kind, students from the University of Salford and Middle Tennessee State University (MTSU), teamed up to stream a live music show from both institutions.



You can watch the behind the scenes of Salford student Mica's performance of Preacher Man [here](#).

JUNE 2022

Colleagues, students, alumni, partners and dignitaries came together at Peel Hall to watch Lucy Meacock become the seventh Chancellor of the University.

"She will play a pivotal role in inspiring the next generation and act as a voice for our many values through advocacy"

Rt. Hon Lord Bradley



APRIL 2022

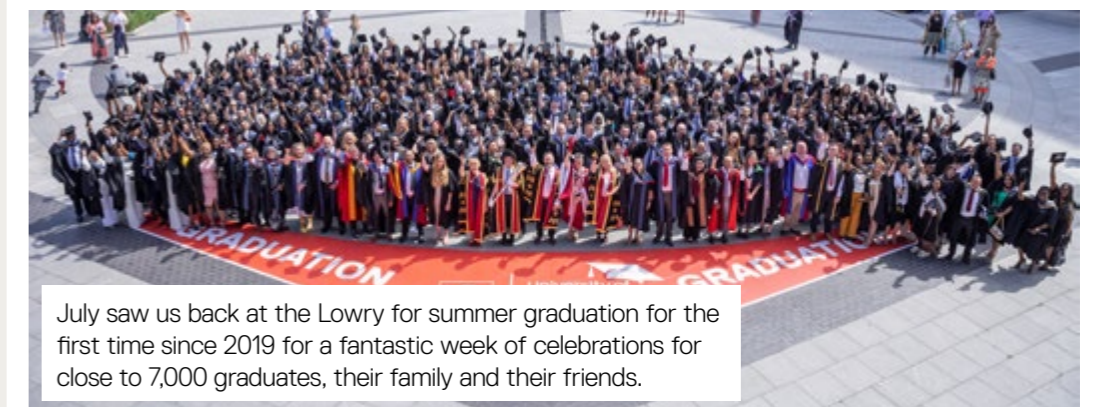
DR JADE MUNSLOW ONG NAMED AS NEW GENERATION THINKER

[Dr Jade Munslow Ong](#) has become one of just ten New Generation Thinkers announced by the Arts and Humanities Research Council (AHRC) and BBC Radio 3. Representing some of the brightest scholars in the country, New Generation Thinkers are selected following an annual nationwide search for academics with new ideas that will resonate with a wider audience. Their research has the potential to redefine our understanding of an array of

topics, from our history to the way we speak. Each New Generation Thinker is given the opportunity to share their pioneering research by making programmes for BBC Radio 3. Jade's research specialisms include global modernisms, colonial and postcolonial African literatures, and animals and the environment in world literatures.



JULY 2022



July saw us back at the Lowry for summer graduation for the first time since 2019 for a fantastic week of celebrations for close to 7,000 graduates, their family and their friends.

THE WORLD AROUND US

The legacy of the coronavirus pandemic continues to be felt around the world as governments, businesses and societies navigate the ongoing economic, social, educational and healthcare impacts of the last two and a half years. At the same time, geo-political and economic developments have created new financial, energy and security pressures at home and abroad.

GEO-POLITICAL EVENTS ARE IMPACTING DAY TO DAY LIVING

Pressures arising from increased inflation during 2021-22 as global economies began to re-open post-Covid and increasing energy prices have been compounded by Russia's invasion of Ukraine. The UK faces the risk of stagflation - high inflation rate with recession, coupled with labour market supply issues.

CONFIRMATION OF FINANCIAL SETTLEMENT FOR HE

Maximum undergraduate student fees will remain fixed at £9,250 up to and including the 2024-25 academic year. The resulting real terms cut in the unit of resource is particularly significant in the context of increased inflation and energy prices, as well as additional pay and pension costs for HE providers. Further decisions around student number controls and minimum eligibility requirements for student finance are awaited.

The government has set out plans to replace Horizon Europe if the UK is unable to associate to the €95.5 billion (£81bn) EU research programme. The package of transitional and long-term measures are intended to provide stability and continuity of funding, attract and retain talent, and deliver a programme for supporting global, multilateral and bilateral collaborations.

A NEW REGULATORY ENVIRONMENT IS EMERGING

In our previous report we noted the Office for Students' (OfS) intention to adopt a tougher approach to regulation in England through a strong focus on quality as measured by student outcomes. During the last year the quality and standards for practices and student outcomes that registered providers need to meet – collectively known as the 'B' conditions – have been revised. Providers are now expected to meet absolute numerical thresholds for student outcomes based on the level and type of qualification.

A revised Teaching Excellence Framework (TEF) was launched in the autumn. Registered providers with more than 500 students and students' unions will make submissions by early 2023, with ratings announced in September 2023.

THERE ARE NEW OPPORTUNITIES AND CHALLENGES FOR THE SECTOR TO NAVIGATE

Plans to introduce a Lifelong Loan Entitlement (LLE), equivalent to four years of full-time higher education in England, could see post-18 learners engage with smaller chunks of study over the course of their career. The Government hopes the

policy will create more flexible courses that rapidly address skills shortages in priority industries and support individuals to retrain in response to future changes in sectors and roles. In preparation for the launch of the LLE in 2025, universities and their partners have begun to pilot short courses as part of an OfS challenge competition to test demand by students and employers, and assess if changes in regulation are needed.

At the same time, the sector is engaged in complex debates about whether learning takes place on-campus or online, freedom of speech and academic expression, and equality, diversity and inclusion. These are important areas for the sector as a whole with our approach set out within this report.

“

The Government's Levelling Up agenda provided a key opportunity for the Crescent partnership to bid for funding for Salford Rise - a major infrastructure and public-realm project. The £13m scheme will deliver a 11m-wide podium connection over Frederick Road stretching 4.7 acres, creating a new pedestrian and cycle link between Crescent Innovation and the University's Peel Park campus. By breaking down the barriers to movement between the new development and the existing campus, Salford Rise will begin to unlock the ambition for Crescent Innovation. ”

To see more about Crescent Salford visit:

https://crescentsalford.com/wp-content/uploads/2021/03/Final-Development-Framework_18122020.pdf



STRATEGY UPDATE

The world is emerging from a global pandemic that redefined our lived experience. The legacy of Covid-19, together with social, technological, environmental and economic developments mean we are now in a very different operating environment than just a few years ago. Against this background we have closely examined our vision and future direction in refreshing our corporate strategy for the next five years.

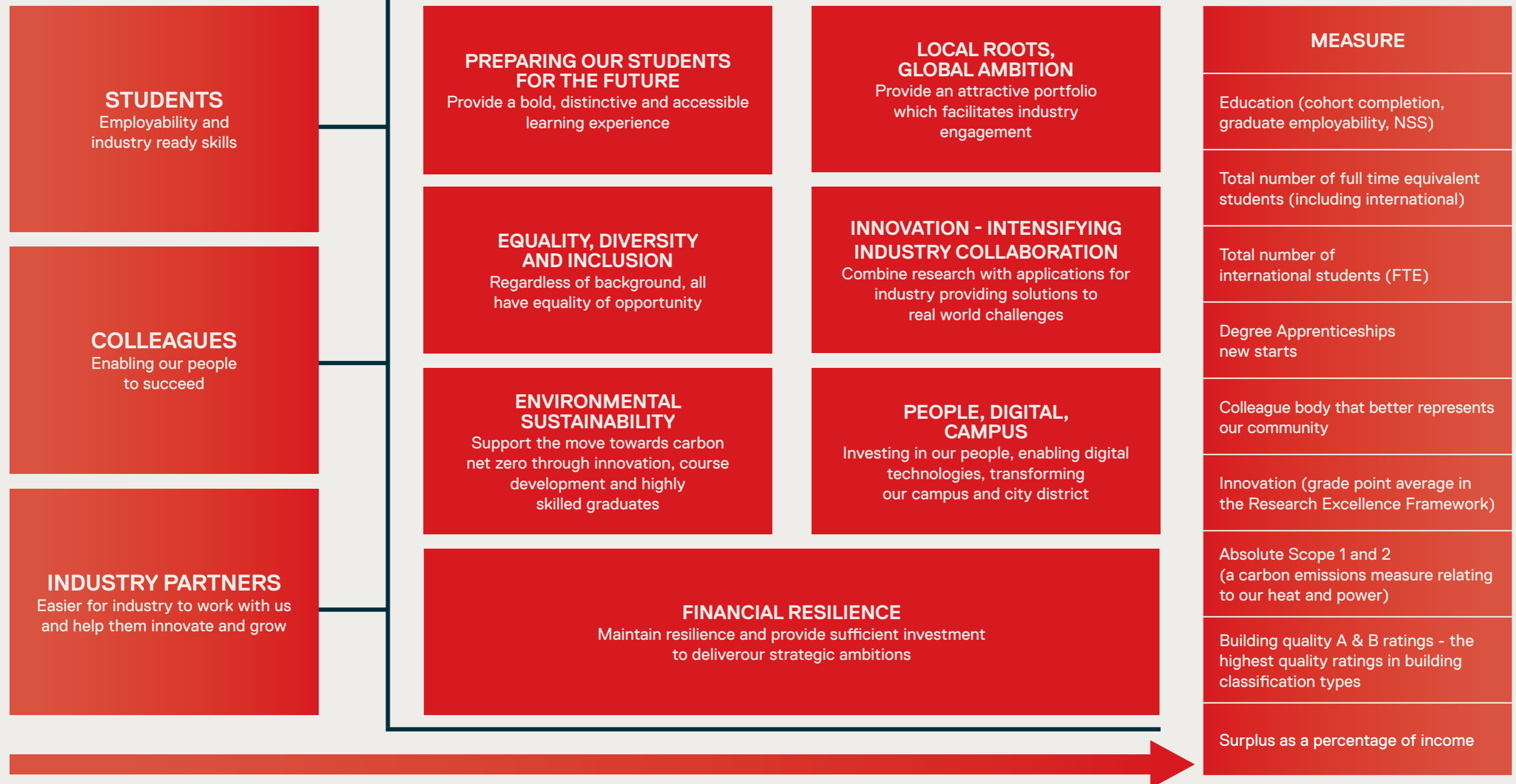
Industry is at the heart of our history and is where our future lies. We remain committed to building on the strengths that we have through our collaboration with industry across all our activities to create positive change for our students, colleagues, partners and society. The Strategy and Operational Review section describes the work we are undertaking to ensure that our Corporate Strategy 2022-27 is focused in the right areas, is resourced appropriately and will deliver sustainable impact.

www.salford.ac.uk/corporate-information/vision-and-strategy

STAKEHOLDER BENEFITS

PILLARS

MEASURES OF SUCCESS



PREPARING OUR STUDENTS FOR THE FUTURE

GOAL

Ensuring that our students gain the knowledge, skills and mindset to succeed in their chosen careers is our biggest priority. To enable students to succeed, both during their studies and in the long term, we need to provide a distinctive learning experience that is created in partnership with learners and industry, and designed around relevant real-world experiences. There is an expectation that fully implementing our vision for the education of our students will have the consequence of pushing us to rank in the top 50 of UK HE providers in key student metrics by 2026-27.

PROGRESS

A sustained focus on the Enabling Student Success (ESS) work that commenced in 2020 played a significant role in giving students certainty about their university experience during a year that remained at risk of disruption because of new coronavirus variants. While most teaching was delivered on campus by trimester 2, some sessions remained online where evidence indicated this gave students a better learning experience.

ESS has also laid the foundations towards us becoming a top 50 provider. Its four domains cover all aspects of the student experience and are beginning to deliver benefits. Notable highlights this year include:

- ✓ Top 20 subject ranking for Radiography, Social Policy, Physiotherapy and Social Work in The Times Good University Guide 2022
- ✓ An increase of almost 5 percentage points in degree completion rates
- ✓ Improvement of 5 percentage points in the first time pass rate for level 4 full-time undergraduate students
- ✓ Improvement of 3 percentage points in the National Student Survey (NSS) for Overall Satisfaction while the rest of the sector has remained flat
- ✓ Improvement of 2.2 percentage points for the NSS category of 'Teaching on my course'
- ✓ A ranking of 6th place in the Higher Education Policy Institute's English Social Mobility Index
- ✓ On-track completion of all preparatory stages of changes to the shape of the academic year to improve continuity of learning and engagement



Student support needs have increased in recent years and was brought sharply into focus during the pandemic, with the adverse impact on mental health and wellbeing having been extensively reported.



OfS access and participation data show an improving picture on continuation rates for students from underrepresented groups. But we need to do more to address barriers to learning that exist and ensure we are providing the right support to help our students to succeed. Our variation to the Access and Participation Plan 2021-25 addresses the new priorities of the Director for Fair Access and Participation, including greater partnership working and provision of a wider variety of courses. See [Local Roots, Global Ambition](#) and [Public Benefit](#) for further details.

Revision of our student success infrastructure, including academic assurance committees and operational groups, has strengthened internal oversight of educational provision. In partnership with Schools, the newly established Quality Management Office monitors course performance against the expectations of the revised 'B' conditions of OfS registration. We meet 32 out of 33 of the measures for continuation, completion and progression into graduate employment or further study.

Student support needs have increased in recent years and was brought sharply into focus during the pandemic, with the adverse impact on mental health and wellbeing having been extensively reported. The Greater Manchester Universities Student Mental Health Service, launched in September 2019, remained open to students of the five GM universities throughout Covid-19. As of June 2022, over 960 students across the partner universities have been supported; 97% of service users rated the staff as good or excellent, 97% rated the information given to them as good or excellent, and 98% rated the overall experience as good or excellent.

FUTURE PLANS

Over the coming year ESS will phase into business as usual as we commence implementation of our new Education and Employability Strategy 2023-27. This step-change strategy builds on the foundations of ESS to focus upon a small number of ambitious change projects designed to ensure our students are best placed to start their post-university career and can succeed in the longer-term in what is likely to be a volatile environment.

IN DISCUSSION WITH THE PRO VICE-CHANCELLOR STUDENT EXPERIENCE

DR SAM GROGAN TALKS TO JOURNALISM AND PUBLIC RELATIONS STUDENT
OLIVIA MOLDEN-WILLIAMS ABOUT STUDENT SUCCESS

What has been the impact of Covid on learning and teaching?

I think the impact has been quite wide-ranging. The institution has been successful in terms of its ability to cope with change in learning and teaching. We've achieved significant developments that probably would have taken much longer in a normal environment than it did through the pandemic. For example, we have learnt a lot about the possibilities of hybrid learning, and what doesn't work in that space.

One of the things we're looking forward to in the new Education and Employability Strategy that I'm developing is how we capitalise on the things that we've learnt through the changes we had to make due to Covid. It has taught us about what really has to happen face-to-face on campus, what works and what students value.

I think the power of unifying around a single goal has taught us what we are actually capable of.

We can't overlook the fact that students have had a really challenging time for the last three academic years. It's encouraging that we've improved across nearly all areas in this year's National Student Survey but neither we, nor the sector as a whole, are back at pre-pandemic levels of satisfaction. I'm keen for us to build on this year's performance into 2023 and beyond.

Can you tell me more about the new Education and Employability Strategy that is currently in development?

Our new Education and Employability Strategy will cover every aspect of the student journey from transition to university, their time here, and to leaving university.

We need to ensure our students have the right skills to meet a very disrupted graduate landscape, both in those first immediate steps after university and over the coming years where we know the professional environment will change dramatically and at pace.

A big point of focus is ensuring our students have the right capabilities and mindset to be able to navigate that volatility, and not just survive, but thrive.

All that said, the overall focus hasn't changed, it has always been on how we enable students to succeed.

We are going further with our strengths and capitalising on employability related learning. Industry is already embedded in our courses, and we can now take that to the next level.



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I think the power of unifying around a single goal has taught us what we are actually capable of.

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As you've just mentioned, student success is a large part of the strategy. What progress has been made to help that?

Over the last two years we've had our focus in four areas – academic success, customer experience for students, leadership and our learning environment. In each of those areas we've progressed various actions. We've introduced commuter lounges to provide a comfortable, dedicated space for our many learners who travel to campus because we know that students who interact with the facilities have a better chance of success.

We have looked hard at our structure and governance and introduced many positive changes to the way that we assure academic quality.

We've made significant progress, laying the groundwork for the strategy to come. We've been laying the foundations and it's really exciting now because we're beginning to build on them and see some real traction.

Professor Jess Power has been appointed the learning and teaching enhancement lead. What do you think she's looking to achieve through that role?

It's great to work with Jess and I'm really pleased with her appointment to lead our new Learning and Teaching Enhancement Centre (LTEC). We have some phenomenal learning and teaching practices across the University; the purpose of LTEC is to draw that out so it becomes an example to be used by other disciplines and other areas. It's also about innovating because there's a lot of incredible practice happening and I think we've got something quite special in the way that we do things. I want LTEC to help us get external recognition for this work and we're seeing the beginnings of that with a study that Jess has underway with Advance HE.

LTEC is also there to offer guidance and advice to academic and professional services teams, to explore ideas and help them embed practices that resolve any sticking points.

Overall, we're continuing our improvement journey but doing it very consciously and with a centre that is dedicated to developing our learning and teaching.

There have been changes made to the academic calendar, how do you think these will work?

The changes we've made to the academic calendar come into play in September 2022. We've done a lot of planning and I'm very grateful to teams across the University for the work that they've put in. By adjusting our academic calendar there is a more consistent rhythm of learning and teaching across the year, thereby supporting student engagement and addressing potential barriers to student

success. We've done a huge amount of work with schools and professional services teams and we're now at the stage where we're going to embed and walk that path we've designed. We will continually keep that under review to make sure it's delivering the intended benefits.

What has been your highlight over the last 12 months?

That is a really difficult question because, in a sense, it's been a phenomenally difficult time coming out of the pandemic. But at the same time so much has been achieved, sometimes through adversity. Seeing evidence that Enabling Student Success is working, as shown in improvements across most student quality metrics, tells me that we are doing the right things to help our students to achieve. Most recently, our July NSS results showed that we had improved in all but one question.

It's not a clean answer, there's no single moment, just a series of small yeses!

Finally, which again might be hard to pinpoint a single answer, what do you find most rewarding about your role as Pro Vice-Chancellor for Student Experience?

The people I work with. My role affords me a massive amount of creativity and I get to steer, change and develop things for the better as well as solve difficult problems. That's the nature of my role. I get to see colleagues achieve and build things and have successes working together.

Summer graduations took place this year for the first time since 2019 and it is an absolutely magical time of the year. Graduations are a brilliant reminder of why I do this job – you can see the transformation in the students. You think about where they started and where they are now and what they're going to go on to do. Knowing I had a little bit of a hand in that, however small, however tangentially, is hugely rewarding because it means I've brought about positive change.

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Overall, we're continuing our improvement journey but doing it very consciously and with a centre that is dedicated to developing our learning and teaching.

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LOCAL ROOTS, GLOBAL AMBITION

GOAL

We will provide an attractive portfolio that is accessible to all, responsive to the skills needs of regional, national and international economies, and facilitates industry engagement, partnership and flexible learning.

PROGRESS

From our roots in the industrial revolution of the nineteenth century to today we have served industry and advanced the skills of working people. Our commitment to the city of Salford and the Greater Manchester region is stronger than ever as we step up to play a central role in developing the talent and skills industry need, both at home and globally.

A CIVIC UNIVERSITY

We are delighted to have been successful in leading a consortium to set up the multi-million pound Greater Manchester Institute of Technology (GMioT) and are in the final stages of agreement with the Department for Education (DfE). This DfE initiative will allow employers to benefit from a pipeline of highly skilled talent in key growth sectors: smart living, digital, engineering, computer science and the built environment. The developed-with-industry range of 'stepping stone' qualifications and longer courses are being designed to create flexible learning opportunities, both for young people looking to gain good quality employment and adults seeking to upskill or retrain. A purpose built hub on campus will house industry standard equipment for learners to undertake real world experiences, supported by academic, technical and industry experts. Crucially, the region's learners will be able to access quality technical provision within their own communities through the GMioT's FE partners – Wigan & Leigh College, Bury College, Tameside College and Ada.

Adapting workforce skills to anticipate and meet shifting demands requires new approaches to delivering education and training throughout working life. Our successful bid to the OfS short course trial Challenge Competition has enabled us to launch six highly focused modules that address existing regional skills gaps in digital competency, particularly in the healthcare and creative sectors.

2021-22 saw the launch of our Police Constable Degree Apprenticeship and Graduate Diploma courses run in partnership with Greater Manchester Police and UCLan. Student Officers develop operational skills alongside

experienced officers as well as learning from academics as part of their programme. The first cohort of student officers completed their initial training in March and are on front line duty serving the public. To date nearly 600 student officers have joined the programmes, with an intake every five weeks.

In September 2021, we were proud to co-sign the Greater Manchester Civic University Agreement alongside the other higher education institutions in our city region, as well as the Greater Manchester Mayor and the Combined Authority. Progress in the first year under the leadership of a new Civic University Board includes agreement of education and skills, and jobs and growth as the priority areas for action. A Citizens

Panel has been launched to ensure wider representation from local communities across the city region. Data collection and analysis will enable us to identify and measure the universities' collective impact on Greater Manchester.

CONNECTING THE LOCAL AND GLOBAL

South Asia is the fastest growing region for our international reach across inward students and partnership development. Supported by the Manchester India Partnership, the GM Bangladesh Board and the GM Pakistan Board we are building strong links between the local community, industry, students and diplomatic and trade representatives. We have welcomed the Indian Deputy High Commissioner for Great Britain, and the British High Commissioner for India, to Salford.

A GLOBAL PARTNER

International student recruitment remains buoyant despite the ongoing impact of the pandemic in some countries. As of April 2022, our 2021-22 intake of new inward international students was 41 percent higher than the total 2020-21 intake. Growth is particularly significant in postgraduate taught courses across all four academic schools, building on our existing strong market presence in Africa and South Asia.

Our partnership with the British University of Bahrain achieved a major milestone with the graduation of the first cohort in late 2021. The globally relevant curricula of our awards align with the Kingdom's ambition for greater productivity through education and skills, as set out in its economic strategy for 2030. More than a hundred students completed their degree this year.

Development of strong transnational education partnerships in new markets is mitigating overreliance on particular countries and partners, as well as potential increased volatility arising from Covid and subsequent economic issues. These factors support our approach to reduce our presence in the mature markets of Sri Lanka and Malaysia, and support the growth in new partners across India, Nigeria and Vietnam. All these countries are supported through the UK's International Education Strategy and the Government's investment into trade and economic ties.

We seek to make a positive contribution to international efforts where learners, academics or higher education are at risk. This year we have worked to support the Council for at Risk Academics, confirmed participation in the Afghan Warm Welcome Scholarship scheme and are working towards becoming a University of Sanctuary.

FUTURE PLANS

Our priorities in the coming year centre on the further diversification of our portfolio to meet learner and industry needs. We are also exploring development of more distance learning courses to reach students who are unable to travel to the UK or who wish to study for an English higher education qualification in their home country.

We will evaluate performance of the OfS short courses trial to inform ongoing development of our Higher Technical Qualifications as well as contributing to wider understanding of lifelong

learning provision.

Our inward international recruitment is expected to maintain strong postgraduate numbers and we continue to grow and diversify through a stronger undergraduate offer. We will continue to develop sustainable and diverse international student recruitment pipelines, to align our curriculum, research and enterprise strengths to international industrial strategies, skills shortages and global challenges.

INNOVATION

INTENSIFYING INDUSTRY COLLABORATION

GOAL

To undertake impactful research which is translated into real-world solutions through working in partnership with industry and other potential end-users.

PROGRESS

Innovation is key to unlocking the productivity puzzle in the UK and improving social mobility through the creation of new, high quality jobs in growth industries. Through our industry-focused research and enterprise, we are working with partners to address real world challenges.

RESEARCH THAT DELIVERS IMPACT

A strong performance in the Research Excellence Framework (REF) 2021 has seen us improve in all aspects of research – outputs, impact and environment - raising our overall Grade Point Average (GPA) significantly from 2.54 in REF 2014 to 3.0. Eighty-eight percent of our research impact has been rated as outstanding or very considerable in terms of its reach and significance, placing us 51st in the Times Higher Education league table for impact, up 36 places on our performance in REF 2014.

Highlights include:

- ✓ In five unit submissions our research impact was rated as 100 percent outstanding or very considerable in terms of reach and significance
- ✓ Forty-four percent of outputs for Area Studies were rated as world-leading and 94 percent rated as world-leading or internationally excellent, placing us 5th for outputs out of 23 submitting institutions
- ✓ On impact, Social Work and Social Policy was 75 percent rated as outstanding and 100 percent as outstanding or very considerable, resulting in a GPA of 3.75
- ✓ In Earth Systems and Environmental Science our impact GPA of 3.5 put us level with eight other universities and ahead of several Russell Group members. This is a competitive unit, making our performance quite an achievement
- ✓ For environment, three units have quality profiles that are 100 percent world-leading and internationally excellent: Allied Health Professions, Dentistry, Nursing and Pharmacy; Architecture, Built Environment and Planning; and Area Studies
- ✓ GPA for both outputs and impact has increased in 10 of 11 of our unit submissions and our environment GPA has increased in seven submissions
- ✓ The biggest improvement across our submission has been our impact GPA for Engineering, which has increased from 1.6 to 3.33, and is now consistent with the sector for this unit of assessment
- ✓ Our largest unit of assessment, Allied Health, Dentistry, Nursing and Pharmacy, has improved its rating in all three aspects of the submission from 2.63 to 3.01 overall.



In comparison to the rest of the sector, we have moved up the Times Higher Education league table by an impressive 22 places, from 87th in REF 2014 to 65th in REF 2021. This puts us in the median position for the sector and into the second quartile, as well as making us one of the top 10 universities for improvement in rank compared to REF 2014. These results reflect our focus on research that directly benefits the world around us, making a demonstrable contribution and improvement to society, the economy, the environment, technology and community wellbeing.

EXCHANGING KNOWLEDGE

Our world leading work to reduce the carbon footprint of the built environment reached a major milestone with completion of Energy

House 2.0 (EH2.0) in February 2022. As the largest test and research facility of its type, EH2.0 can accommodate two detached houses in each of its two environmentally controlled test chambers. The EH2.0 team have already assisted over 150 local small and medium-sized enterprises (SMEs), providing them with technical support and access to facilities to further their development of low carbon/energy efficient products.

We have welcomed over 500 visitors representing a wide range of public and private sector organisations including civic leaders and the Chairman of the UK's Committee on Climate Change. Extensive media coverage of our expertise has raised the profile of key issues such as energy efficiency, retrofit, fuel poverty and how our research is contributing to net zero.

See [In discussion with the Energy House 2.0 team](#), for more information about EH2.0.

We have far exceeded our partner target in the Greater Manchester AI Foundry, an ERDF funded collaboration with Manchester Metropolitan University, The University of Manchester and Lancaster University designed to connect GM businesses with cutting-edge research and knowledge. Nearly fifty SMEs in the region have engaged in phase one workshops to embed artificial intelligence (AI) capabilities against an original target of forty. Appetite is high for the bespoke technical support we provide in phase two, resulting in a strong pipeline of clients. Participants have benefited from impacts including: unlocking further external funding to invest in innovation, opening up new client bases and business expansion.

FUTURE PLANS

We intend to build on our success in REF 2021 throughout the next assessment cycle by growing our research talent and capabilities to increase overall research power. Work has recently been initiated to review our research and enterprise culture and this will feed into our strategy to make improvements to the research environment in future. A new research information system due in late 2023, will provide a resilient and powerful tool to improve process efficiencies throughout the research life cycle and foster greater collaboration between researchers.

IN DISCUSSION WITH THE DEAN OF SCIENCE, ENGINEERING AND ENVIRONMENT

PROFESSOR JOE SWEENEY TALKS TO JOURNALISM AND PUBLIC RELATIONS STUDENT OLIVIA MOLDEN-WILLIAMS ABOUT HIS FIRST YEAR AT SALFORD AND PLANS FOR THE FUTURE

How have you found your first 12 months as Dean?

It's been really exciting and a lot of fun. The School is a complex place; we've got 6,000 students, nearly 400 staff and there's a lot going on. I joined the University in the tail end of the pandemic and have been impressed by the efforts of colleagues to provide a stable learning and teaching experience during an enormously complicated time. Our students are really engaged and it's exciting for them, and the whole School, to have a brand-new home with state-of-the-art facilities. With our excellent Research Excellence Framework results I'm looking forward to seeing what the academic research teams do next.

One of the surprising things for me is how many great things there are here that I just didn't know about. So, one of my jobs is to make sure that everyone outside knows about what the School, and the wider University, is doing.

A new School building sounds exciting. How will it impact the student experience?

Having a new building means we'll have a major hub for discovery and innovation at the heart of our Peel Park campus – a new building is always exciting but it's what happens inside that gives it real meaning. The cutting-edge facilities will take teaching and learning up another level and facilitate a new kind of collaborative environment, where skills and ideas can be easily shared with each other and with our industry partners.



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I'm incredibly proud that less than ten years after graduating as a building surveyor, Charlotte France is managing multimillion pound projects on the very campus where she studied. She really is the exemplar of what we look to achieve by giving our students the skills to succeed in their chosen careers. ”

The building itself is very interesting. It's 100% electric-powered, with that power supported by 154 roof-mounted photovoltaic panels that provide renewable energy. It's taken intelligent, sustainable design to a new place for us, one which we can build from to meet our environmental commitments.

And when I'm talking about the new building, I have to mention that its construction was project managed by one of our former students. I'm incredibly proud that less than ten years after graduating as a building surveyor, Charlotte France is managing multimillion pound projects on the very campus where she studied. She really is the exemplar of what we look to achieve by giving our students the skills to succeed in their chosen careers.

What is your vision for SEE school both long term and short term?

Our School is about changing people's lives. We use science and engineering and training to help people think in a way which will enable them to go on and solve problems for society.



Read more about our new landmark building [here](#)

For me, it's about training students in how to think, how to problem solve so that they can go on to do all kinds of jobs. We want to train people in a way which gives them breadth, so their knowledge and abilities enable them to go in many different directions.

In the short term, my vision for the school is to raise visibility, especially within the local community. I want people who live around the corner to come and see our brand-new building and what we're about. I want them to know what we do and to understand that we change people's lives - not just students' lives but also the people who benefit from the research that we do.

Another important thing for me is that everyone feels respected and happy. I want students and colleagues to feel part of a vibrant community. We already have a great sense of unity in the School, my job is to build on that and to make sure that that we improve wherever we can.

What would you like people to say be saying about SEE in five years' time?

I want us to be known for being a place that changes lives. Of course, there's always room for improvement but I'd like people to point to us and say: "There's a university that does things right".

We need to make sure that we give students a great experience and that people who leave the University continue their relationship with us – as mentors, advocates, placement providers or longer-term partners. I was recently at a construction industry event and half the people that came up and spoke to me spontaneously had been to Salford for training and they spoke very warmly and very passionately about it. I've already mentioned Charlotte [France] who now works at the University – she's a great role model for all our students, particularly women. I want more of that.

What's your favourite thing about SEE?

There are a few things I really love. Energy House, Ignition, all these really cool things that are going on. I've worked in six different universities and I've found a very open and welcoming environment here. I like the fact that a lot of colleagues are actually from this area or not too far away.

I think my favourite thing about the School is the really positive atmosphere and the fact that it does really feel like a community. It makes me happy to come to work every day and I hope it makes other people feel like that.

PEOPLE, DIGITAL, CAMPUS

GOAL

To provide a vibrant, attractive, sustainable and accessible campus, free from discrimination, supported by an environment in which colleagues, students and partners can interact, and share information and knowledge.

PROGRESS

We are investing in our people and our infrastructure to ensure that we have the means to deliver on our ambitions. We are transforming our campus and the surrounding city district through the Crescent Masterplan, creating a new city district that will bring together industry, education and innovation.

PEOPLE

The wellbeing of our people remains a top priority. As we move forward from the effects of Covid-19 we have the opportunity to define a new work/life balance that can be more tailored to individual needs. Support for colleagues is key. We now have a Mental Health Commitment for colleagues to complement the existing student Mental Health Strategy. We also have 60 Mental Health First Aiders and a range of financial wellbeing measures, including payments totalling £500 to support individuals during the current period of increased living costs.

Working practices continue to evolve, with teams embracing the ability to make local decisions whilst ensuring the student experience and business needs are prioritised. In an increasingly competitive jobs market in which certain skillsets are highly valued, we are striving to ensure we have an attractive colleague proposition to attract and retain talent across academic, technician and professional services roles.

Equality, Diversity and Inclusion

We are proud to have been named as one of Stonewall's top 100 employers for LGBT+ inclusion in the workplace. The results of Stonewall's Workplace Equality Index and evidence of our work in eight areas of employment policy and practice have seen us climb an impressive 69 places to rank 88th overall and 12th in the university sector. We are also one of 132 employers to receive the Gold employer award, a new Stonewall accolade for 2022.

Gender based violence and the silencing of individuals who have been subjected to abuse of any kind have no place in our University. We have signed the voluntary Can't Buy My Silence pledge and commit to not using Non-Disclosure Agreements to silence people who raise complaints of sexual harassment, abuse or misconduct, or other forms of harassment and bullying. We are also accredited by the White Ribbon charity to end male violence against women.

There is more we need to do. We are building on the positive feedback on our Race Equality Charter (REC) submission and addressing the areas where further work is needed prior to re-applying. We believe

that REC is a positive initiative for the HE sector and provides a structured framework to tackle longstanding inequalities. Pradeep Passi joined us as Associate Pro Vice-Chancellor Equity, Diversity and Inclusion in autumn 2022. The appointment will be instrumental in helping us to deliver and embed positive change for our students and colleagues.

CAMPUS

Our vision to develop a campus which responds to the needs of our future learners is taking shape at pace. As we consider the future of lifelong education, the needs of industry and the regional economy, and the fast pace of technological change, our campus must meet these challenges with as much flexibility for growth and innovation as possible. Our Campus Masterplan provides us with a framework that allows us to respond to this ever changing environment. We have already delivered a new home for the School of Science, Engineering and Environment and unique research facility in Energy House 2.0.

Working in partnership with Salford City Council and English Cities Fund, our bold Masterplan for the next 15-20 years will create coherent campus districts, each with its own character and identity connected by a new network of walking routes, cycling routes and squares. Improving the quality of a connected campus by providing opportunities for learning, leisure, living, working, arts and culture is central to our placemaking strategy. A new civic and cultural gateway, better transport connectivity, an expanded public realm and new facilities will significantly improve the student experience and open up the campus for the benefit of the local community. Establishment of an Innovation District will create a destination for incubation, enterprise and research and a place for industry collaboration.

DIGITAL

We are investing in our technology platforms to support innovation and deliver solutions that respond to our stakeholders' needs. In the current year delivery has focused on contributing to the goals of Enabling Student Success. Progress includes the development of engagement analytics to identify students who may need more support and enabling individuals to monitor progress in their learning journey; process improvements to streamline the capture and processing of assessment marks, enabling staff time to be redeployed on student-facing activities; and creation of a social and learning space in the library where students and staff can work in a modern, comfortable, well equipped environment.

Our strategic partnerships are enabling students to benefit from exposure to leading technologies. A Shared Goals Agreement with Microsoft provides access to courses focused on the digital skills employers are looking for, such as cloud computing, AI and data science. Salford Business School has been particularly successful in integrating Microsoft certification within courses, contributing to Salford topping the table for the highest number of sign-ups among participating UK universities. And in a world first, we have secured exclusive access to cutting-edge AI-supported animation software which our students will use and test.

The risk of cyberattack continues to feature at the top of the corporate risk register. We constantly monitor our attack surface, threats, issues and risk and invest in further improvements to our ability to protect, detect and respond to cyber threats. Alongside technical controls, we are driving improvements in education and awareness amongst staff and students.

FUTURE PLANS

Over the next twelve months we will focus on resourcing the roles needed to support our planned academic growth and expansion, in particular the Greater Manchester Institute of Technology.

The North of England Robotics Innovation Centre (NERIC), a joint funded project by the University, ERDF and Research England is on schedule for completion. Housing our robotics and automation

specialisms, the £16 million facility will serve as a hub for small to medium-sized businesses to design, test and validate innovation in this rapidly growing area.

Key projects for development in the next phase of the Masterplan include: Institute of Technology, new Acoustics Laboratory, new Salford Business School, development of a Health Quarter and new student residences.

ENVIRONMENTAL SUSTAINABILITY

GOAL

Over the next five years through the research we produce, our work with industry, our talented graduates and our green campus we will support industry and Greater Manchester move towards net zero carbon. The University is committed to becoming carbon net zero by 2038.

PROGRESS

To achieve our goal, the work we do in this strategic plan period will be crucial. We have strengthened the governance and delivery of our Environmental Sustainability Plan by embedding our commitments into our corporate strategy and appointing an Executive Lead for Environmental Sustainability. Karl Dayson, Pro Vice-Chancellor Research and Enterprise will provide leadership and positive influence to create the change required to move towards a net zero carbon future.

Our progress has been recognised with a first-class award in the 2021 People and Planet University League. The independent rankings, published by The Guardian, place us 12th out of 154 UK institutions, an increase of over 50 places since the last league table in 2019. People and Planet is the only comprehensive league table of UK universities, ranking institutions by their environmental and ethical performance in areas including energy sources, waste, sustainable food and education for sustainable development. With an overall score of 72.6 percent, this is our highest total to date.

Bec Bennett, Assistant Director of Sustainability, said: "I'm delighted that we have achieved First-Class status in the People and Planet University League. Our performance in this year's league is testament to the level of commitment and action we have implemented in environmental sustainability. "Since our first Carbon Management Plan launched in 2011, we have reduced carbon emissions by 70 percent compared to 2005/6. We are very proud of our achievements so far, but we recognise that we need to do more. Net zero carbon and acting with the pace necessary are key commitments for us going forward."

We continue to identify energy efficiency and carbon reduction opportunities as our ways of working post-pandemic continue to evolve. With support from the Public Sector Decarbonisation Scheme we are installing our first retrofit heat pump to replace gas heating in the Clifford Whitworth Library. Together with the addition of solar electricity panels, these measures will result in a 95 percent reduction in the building's fossil fuel usage.

We are delighted to have been awarded the Gold Cycle Friendly Employer award. Run by Cycling UK, the scheme provides a framework for employers to promote and enable cycling at their workplace and helps

us to encourage the shift to more sustainable travel by colleagues and students. The judges were impressed by our commitment to improving cycling facilities, such the installation of our new maintenance stations.

We have received a Green Flag Award for the third year and continue to manage our campus to encourage wildlife. This year we received a Silver Hedgehog Friendly Campus award. Students joining our School of Arts, Media and Creative Technologies supported our green campus with a tree planting event as part of their induction activities. Together with our partners at City of Trees, students from our BA (Hons) Fashion Image Making and Styling course planted over 200 trees on our David Lewis Playing Fields site. Planting the trees gave the students an opportunity to work together, to get to know each other and the campus, and feel like part of the community by contributing towards enhancing our local green spaces in a tangible way. It was also a chance for



them to spend time in nature which has been shown to have numerous benefits for both physical and mental health.











We continue to use our teaching, learning, research and influence to support a sustainable future. As a member of the COP26 Universities Network we worked with our partners to ensure the academic sector had a strong voice for tackling the climate crisis prior to, and during, United Nations International COP26. Our Energy House Laboratories and the IGNITION Living Lab were featured

as part of a Climate Innovation Showcase throughout COP26.

We recognise that we have a major role to play in enabling our colleagues and students to respond positively to the global climate crisis. This year's Go Green Salford month included a number of student led activities including a swap shop, wildlife surveying and live events on social media.

PERFORMANCE

We are evaluating environmental performance in the post-pandemic landscape to ensure we take forward learning and good practice in driving towards environmental sustainability.

IMPACT AREA	INDICATOR	CURRENT TARGET	PROGRESS IN 2021-22	TREND	ON TARGET
 Carbon	Absolute Scope 1 and 2 carbon emissions From 2005-6 baseline	Net Zero Carbon by 2038 81% reduction from 2005-6 by 2029-30 in scope 1 and 2 carbon emissions	Actual emissions 5,623 tonnes 71% reduction		
 Waste and Recycling	Total waste, kg/FTE (excluding construction waste) Recycling	-12% kg/FTE from 2018-19 (waste excluding construction) by 2024-25 65% recycling by 2024-25	51% reduction kg/FTE from baseline (estimated) 46% waste recycled	 	 
 Biodiversity	Green Flag Status	Maintain Green Flag Status	Achieved	Award holder since 2019	

FUTURE PLANS

In 2023 we will further define our Net Zero Roadmap with the development of a heat decarbonisation plan and continue to ensure our Campus Masterplan has sustainable development as a core principle.

Reflecting the priority we are giving to environmental sustainability in our corporate

strategy, we have appointed a Director of Sustainability. The role will focus on better linking and promoting our activity to demonstrate that we have sustainability at our heart, engaging and working with colleagues, students and external partners to deliver meaningful change.

IN DISCUSSION WITH THE ENERGY HOUSE 2.0 TEAM

PROFESSOR WILL SWAN, DIRECTOR OF ENERGY HOUSE 2.0 TALKS TO JOURNALISM AND PUBLIC RELATIONS STUDENT OLIVIA MOLDEN-WILLIAMS ABOUT OUR GROUNDBREAKING NEW FACILITY

How did the idea for Energy House 2 come about?

We first had the idea for Energy House 2 (EH2.0) at the end of 2015. We'd had Energy House in operation for about four years and we realised there were several issues.

The original Energy House is a unique research and testing laboratory. It comprises an early 20th century two-bedroom terraced house within an environmental chamber. This allows us to carry out accurate and rapid assessment of energy efficient retrofit technologies. It has become incredibly popular and at one point we had a waiting list of about 14 months. We realised we had a capacity issue and there are things that we were seeing in the market, like off-site construction, which meant that Energy House was limited given its size and shape.

People from other universities and research institutes were also asking us how we were making such an impact and as a result we wanted to put down a globally significant marker that showed Salford leading the way in this type of controlled, large-scale research.

So Energy House 2 was born.

What were the aims for the project?

The initial aims were to internationalise, to draw in different types of companies and to look at different types of materials and products that we couldn't test in the original Energy House. We wanted to respond to changing trends – for example in off-site manufacturing with homes made from big, prefabricated panels. That's why EH2.0 has such big doors – to enable us to expand the possibilities of what we can do. Our new facility will also play a key role in accelerating the progress towards low carbon and net zero housing design.

How was it developed?

Richard Fitton, the research lead, and I used to meet every morning at the start of the day and have ideas about what we might do next. There is a piece of paper



We wanted to put down a globally significant marker that showed Salford leading the way in this type of controlled, large-scale research. ”



with a drawing of what we thought we wanted - it's quite a rough drawing, but the piece of paper still exists. That drawing became a full-blown prospectus that we sent to significant decision makers in central and regional government. We also did a market test, speaking to over 100 technical directors in our target market to assess interest in using the facility. From there we had a business case to submit a large-scale bid and were able to access £8.2 million of funding from the European Regional Development Fund (ERDF). There was a further £3 million contribution from the OfS with the remaining £7.3 million of investment coming from the University.

The building itself was built in about 76 weeks. It's been a fantastic project. Everybody who has been involved, from the finance team to the digital technology guys, have all brought their best selves to this project.

What are the plans for its immediate use?

As we're speaking, (July 2022) Barratt and Bellway are jointly working together to build their future homes. They're now constructing in the chambers and were digging foundations just last week. Over the next few months those houses will go up. We're also building a Passivhaus flat.

Barratt Developments have also built the Zed House on campus, close to the Energy House 2.0. It's the first home in the country to be built by a major housebuilder that goes substantially beyond the Future Homes Standard. It's a zero carbon concept home that's there to showcase the future of sustainable living in the UK.

In addition, we've started work on some smaller projects. We're currently working on a homeless shelter with the charity Emmaus and Casey construction. So, we've got the big buildings and then in the last quarter we're doing smaller projects.

From July 2023, we'll be starting funded projects in there. We aim to run it as a facility in the way we've run Energy House.

What would you say is its most interesting feature?

You've not only got good science, but you can communicate it easily. You can look at Energy House and say, "Oh, that's the sort of house I live in" and understand how that science works and how it impacts an individual. Not only have we got a good research facility, but it's also powerful in the way that it communicates. When we tour people around Energy House then Energy House 2, it shows the scale of ambition and the value of that kind of testing.

You've been involved in quite a bit of media in the past 12 months, especially with the BBC and Rip-Off Britain. How has this been and what opportunities has this brought you?

We've done the BBC, ITV Gadget Show, Rip-Off Britain and Sky News to name a few. I think when you do lots of media, it's great because it teaches you how to communicate what you're trying to do quickly and simply.

It gives us fantastic visibility. In 2009 when we first started energy and buildings at the University, we didn't have that. Now, 13 years later I would say we have national visibility, national reputation, and a growing international reputation.

What would be the main challenge that you've faced with this project over the last 12 months?

I think probably the biggest challenge was when we moved from the outline design to the full technical design. It's not just an ordinary office building - it's a complex building which needs to do highly technical things that you're not going to see in a lot of buildings.

I think with any project like this, it's about lots of people coming together and solving problems. Even though there will always be challenges on a build like this, it's that sensible, well-structured management and decision making that makes it a success.

What are you most looking forward to when it opens and what's next?

We've done the initial tours of the empty building, but we want people to see it in action in the way you can see Energy House in action. I'm looking forward to the big launch where we'll get a minister, we'll get the TV and I think for me that will be the most exciting.

All together we've got the smart meters lab, the materials lab, Barratt Homes' Zed House, the original Energy House and now Energy House 2 as our technical national centre with future homes. What Energy House 2 has given us more than any other university is that pull for big companies to come through the door. We've seen some of the biggest companies in the country, and some international companies, seeing our facilities and saying, "that is amazing".

Our next port of call is to grow, to work with other universities, and create a national centre of excellence for housing.



Ed Miliband MP, Shadow Secretary of State for Climate Change and Net Zero, Rebecca Long-Bailey, MP for Salford and Eccles, Andy Burnham, Mayor of Greater Manchester, and Paul Dennett, City Mayor of Salford, tour Energy House Labs

RISK

OUR APPROACH TO RISK

We maintain a corporate register of the key risks across the institution and their associated mitigating actions. This is reviewed and reported on in accordance with the University's Risk Management Policy. The University Risk Register is reviewed regularly by the Executive Team, the internal and external environments being constantly monitored with robust mitigating actions put in place and completed. The nature of the external environment means that some risks continue to escalate and we therefore identify and develop additional and/or alternative means to mitigate these areas.

RISK GOVERNANCE

	Role	Responsibility
Council	Oversight	Overall responsibility for risk management within the University.
VC and Executive Team	Ownership	Delegated responsibility from Council to implement Risk Management Policy, controls and processes. Escalates risks to Council as appropriate.
Audit and Risk Committee	Scrutinize and probe	On behalf of Council, keeps under review the integrity and effectiveness of the University's risk management framework, alerting Council to any emerging issues.
External Assurance Providers	Assurance / Testing	Undertake independent review, audit of key controls, and formal reporting on assurance.
Strategy Directorate	Coordination / Advice	Leads on the management and governance of the corporate risk management strategy, including the development of associated policy and procedure, and the monitoring of its implementation.
Deans of School and Directors of Professional Services	Operational implementation	Responsible for identifying, managing and reporting the strategic and operational risks specific to their areas.

RISK APPETITE

In pursuit of our strategic aims and academic mission it is necessary that we accept a degree of risk when investing in our future that is commensurate with the potential reward. We maintain a responsible approach to risk management which recognises and manages our overall exposure to risk, keeping it within defined tolerances.

CORPORATE AND OPERATIONAL RISK APPETITE

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

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

Project risk appetite

We are committed to seizing the opportunities provided

by the imagination and enthusiasm of our staff and co-operation of partners and their support for innovation. We therefore have a risk appetite which is described as 'open'. We undertake projects ensuring that they are consistent with our mission and vision and that the potential benefits (reward and value for money) and risks are fully understood before developments are authorised, and that appropriate measures to mitigate risk are established.

Strategic risk appetite

We are driven to pursue our mission and goals through taking advantage of developed opportunities, or new opportunities presented by a rapidly changing environment, whilst ensuring we protect our core business and values. Our risk appetite is described as 'cautious'.

COVID-19

We have remained financially sustainable throughout the pandemic. Students have graduated but Covid-19 has impacted student satisfaction across the sector. We continue to monitor government guidance, for example in relation to new virus variants.

TOP RISKS

As described under The World Around Us, the higher education sector faces significant cost pressures with fees capped and high inflation in the next couple of years. Providers must also attend to the challenges and opportunities of the wider policy environment, and manage the residual impact of the coronavirus pandemic. The main mitigation to this uncertainty is in the strategic response that we make as an organisation. Alongside the external risks there are also a number of internal factors to which we could become vulnerable if not closely managed. The following risks are extracted from the full University Risk Register and show the most concerning risks and those upon which we are particularly focused.

CYBER SECURITY			
RISK DESCRIPTION	KEY MITIGATING ACTIONS	RISK STATUS	MOVEMENT YEAR ON YEAR
Cyber security and information security	<ul style="list-style-type: none"> ✓ Advanced threat protection ✓ Security patching ✓ Security penetration testing at regular intervals ✓ Specific actions in response to the threat arising from the war in Ukraine 	High and likely to impact at any time	Increasing

CHANGES IN GOVERNMENT POLICY			
RISK DESCRIPTION	KEY MITIGATING ACTIONS	RISK STATUS	MOVEMENT YEAR ON YEAR
Government policy directly or indirectly impacts HE sector	<ul style="list-style-type: none"> ✓ Monitor political and economic situation and lobby via UUK; seek to influence regional and national policy makers via Public Affairs Plan ✓ Engage with local and national policy ✓ Continue to explore other options for diversification of income 	High and likely to impact in the next 1-2 years	Static

STUDENT RECRUITMENT (HOME/EU AND INWARD INTERNATIONAL)			
RISK DESCRIPTION	KEY MITIGATING ACTIONS	RISK STATUS	MOVEMENT YEAR ON YEAR
Failure to meet planned student recruitment targets	<ul style="list-style-type: none"> ✓ Active portfolio management ✓ Well-articulated and communicated brand ✓ Broaden geographic reach ✓ Distance learning and blended delivery models ✓ Hold central contingency 	Medium and likely to impact in the next 1-2 years	Decreasing

STUDENT EXPERIENCE AND OUTCOMES			
RISK DESCRIPTION	KEY MITIGATING ACTIONS	RISK STATUS	MOVEMENT YEAR ON YEAR
Student experience, attainment and outcomes	<ul style="list-style-type: none"> ✓ Enabling Student Success programme ✓ Education & Employability Strategy development and implementation ✓ Support services realignment 	Medium and likely to impact in the next quarter	Decreasing

PAY COSTS			
RISK DESCRIPTION	KEY MITIGATING ACTIONS	RISK STATUS	MOVEMENT YEAR ON YEAR
Pay costs become too high	<ul style="list-style-type: none"> ✓ Strategic sustainability plan ✓ Resourcing plans aligned to anticipated income ✓ Scenario planning 	Medium and likely to impact over the next 2 years	Increasing

PUBLIC BENEFIT



OUR APPROACH TO PUBLIC BENEFIT

The University was granted the status of an exempt charity by statutory instrument in 1967. We act in accordance with the Charity Commission guidance on public benefit and are responsible to the Office for Students, our principal regulator, which is charged with monitoring compliance with charity law obligations.

The University's Charter reflects an institutional commitment to public benefit: 'The objects of the University shall be to advance education and knowledge by teaching and research, and in doing so to foster an academic environment which is enterprising and applied to business and the professions, and for the benefit of society at large'.

CREATING OPPORTUNITY

Our purpose is to advance education and knowledge by harnessing the skills, imagination and enthusiasm of our students and staff to work in partnership, creating positive change for individuals, communities and the economy. Our Access and Participation Plan 2020-21 to 2024-25 (APP) (www.salford.ac.uk/access-and-participation) contains deliberately ambitious targets to reach and work with some of the most disadvantaged groups in society to open up pathways into a university education and on to successful future outcomes.

In central Salford, more than half of young people are growing up in poverty, resulting in long-lasting effects on educational attainment (End Child Poverty, 2019). We are working with The University of Manchester and IntoUniversity to raise the attainment of young people and open up more opportunities. The partnership will create The Beacon Centre in Salford, a major new learning centre for students aged 7-18. From autumn 2022 the centre will deliver after-school academic support sessions to primary and secondary school children, aspiration-building workshops in partnership with local schools and a mentoring programme with current university students and professionals. Our corporate donors have pledged over £500,000 for the new centre which will benefit more than 1,000 students once established.

We are also expanding our engagement in the National Saturday Club following this year's successful pilot in Film and Media at our industry-leading Media City campus. In 2023, 13 to 16 year olds of all abilities will be able to join our Science and Engineering Club to learn new skills, meet new people and find out more about higher education and potential careers.

In October 2021 we re-signed the Armed Forces Covenant, pledging to support those who serve or have served. We have a significant track record of working with, and providing support to, the Armed Forces community in relation to injury/pain rehabilitation, PTSD/trauma management, military history, and security and intelligence. We are proud to lead the UK's first ever research focusing on military veterans and welfare reform. This year we have appointed an Armed Forces Engagement Lead to deliver on our Covenant pledges.

This year marks 20 years of our collaboration with Kidscan, a leading children's cancer research charity. During this time Kidscan have invested £1.5 million



the Higher Education (Freedom of Speech) Bill 2021. We have convened a working group to consider our existing Policy and will ensure that it continues to be fit for purpose and in line with any new legislation.

We have formally adopted the International Holocaust Remembrance Alliance's (IHRA) working definition on antisemitism. Adopting the IHRA's definition does not affect the application of equality law and the rights it affords to members of our community or our commitment to provide an environment free from harassment and discrimination. Nor does it affect our legal obligations and the legal rights of our staff and students in relation to freedom of speech and expression, including the ability to discuss and question difficult and sensitive topics, views and opinions, provided that is done responsibly, with respect for others and within the law.

VALUE FOR MONEY

We continue to ensure that we achieve value for money in all of our activities for both students and the taxpayer. As we have emerged from the pandemic period, we have strived to deliver on the 4 "E"s - Efficiency, Economy, Effectiveness and Equity. We have kept our focus on procurement opportunities to achieve best value, be it locally or through sector arrangements and in a time of increasing inflation, we have benefited from our major capital investments being delivered on fixed price contracts. Both the new Science, Engineering and Environment Building and Energy House 2.0 have been delivered within budget and ahead of schedule, a great achievement and a demonstration of how we work collaboratively with our contractor partners to achieve value for money.

For our students, supporting and enhancing their learning experience for a successful outcome remains our absolute focus and we have provided additional services and direct financial support to enable all students the opportunity to progress. Strong budgetary control has allowed us to invest a further £3.8m on student experience projects focused on equipment or space improvements.

As we go forward, the rising inflation and wider economic climate is a concern for the wellbeing of all and the focus to deliver value becomes even more important.

in research across UK universities to find new treatments to improve survival rates and treatment outcomes. Each year up to a dozen of our chemical sciences and biomedicine students have the opportunity to undertake a placement year, gaining hands-on research experience that equips them to undertake further study or secure highly skilled employment in the field. PhD studentships are an important vehicle for Salford and Kidscan research collaboration; in the last five years fundraising by Kidscan and its partners has enabled four Salford graduates to undertake doctoral study. We support the charity in various ways, from fundraising events such as the Vice-Chancellor's annual fun run, to salary sacrifice and administrative, IT and estates services.

FREEDOM OF EXPRESSION

We uphold the fundamental rights of freedom of speech and expression and academic freedom. We wholeheartedly support an environment in which all staff and students are treated with respect and do not deny use of University premises on grounds connected with beliefs, views, policies or objectives as long as such use is at all times within the law. Our Freedom of Speech Policy and effective partnership working with the Students' Union allows us to adopt a risk based approach for managing external events and fulfill our obligations under Prevent, the Higher Education and Research Act (2017) and Equalities legislation. The government has introduced

FINANCIAL PERFORMANCE

KEY FINANCIAL HIGHLIGHTS

2021-22

£20.7m	(£16.1m)	£106.9m	£48.5m	£186.2m
Underlying Operating Surplus	Deficit for the Year	Comprehensive Income for Year	Cash flow from operating activities	Net assets

2020-21

£16.5m	16.7m	£25.7m	£52.4m	£79.3m
Underlying Operating Surplus	Surplus for the Year	Comprehensive Income for Year	Cash flow from operating activities	Net assets

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

Underlying operating surplus for the year

The University Council's process for reviewing the performance of the University is primarily to consider the day to day controllable operating surplus and the underlying operating surplus as well as the cashflow generated from operating activities. These measures exclude the impact of movements on long term pension liabilities including the Greater Manchester Pension Fund (GMPF) and Universities Superannuation Scheme (USS), movements on the early retirement provision in respect of former Teachers Pension Scheme (TPS) members and loan hedge movements which while significant cannot be controlled by management in the short term. In 2021-22 the University made an underlying operating surplus of £20.7m which was £4.2m more than the previous year.

Income and expenditure in £m

2021-22 and 2020-21 actuals and key variances to prior year

	2021-22	2020-21	Change to Prior Yr
INCOME			
Tuition fee and educational contracts	200.4	189.6	10.8
Funding body grants	21.2	21.5	(0.3)
Research grants and contracts	6.8	6.3	0.5
Other income	17.7	12.6	5.1
Investment and donations income	1.8	0.9	0.9
Controllable operating income	247.9	230.9	17.0
OPERATING EXPENDITURE			
Staff costs	(125.9)	(124.4)	(1.5)
(Less non controllable gain)	(1.7)	(0.2)	(1.5)
Other operating expenses	(80.9)	(70.7)	(10.2)
Depreciation	(14.1)	(14.1)	0.0
Interest and other finance costs	(5.0)	(5.0)	0.0
Controllable operating expenditure	(227.6)	(214.4)	(13.2)
Day to day controllable operating surplus	20.3	16.5	3.8
Loss on disposal of fixed assets	(0.1)	0.0	(0.1)
Gain on disposal of investment	0.5	0.0	0.5
Underlying operating surplus	20.7	16.5	4.2
IMPACT OF NON CONTROLLABLE EXCEPTIONAL ITEMS			
Change in USS Deficit recovery plan	(38.5)	0.0	(38.5)
Other non controllable movements	1.7	0.2	1.5
(Deficit)/Surplus for the Year	(16.1)	16.7	(32.8)
Change in fair value of hedging financial instruments	5.0	2.7	2.3
Actuarial gain in respect of pension movements	118.0	6.3	111.7
Total comprehensive income for the year	106.9	25.7	81.2

Non Controllable and Exceptional movements

The March 2020 USS actuarial valuation was completed which resulted in an exceptional charge of £38.5m which was partly offset by a favourable movement of £1.7m on the TPS early retirement provision due to an increase in corporate bond yields reducing the liability.

The overall impact of these non controllable movements is to turn a underlying operating surplus of £20.7m to a deficit for the year of £16.1m.

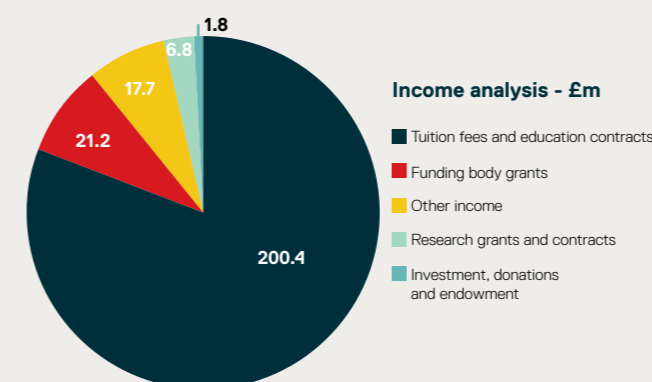
Total Comprehensive Income & Expenditure

The Total Comprehensive income was £106.9m after favourable actuarial movements of £118.0m on GMPF and favourable hedge movements on loans of £5.0m. The favourable movement on GMPF was mainly due to a rise in corporate bond yields which has reduced the value of pension liabilities.

The reason why the USS exceptional pension charge is adverse whilst the GMPF movement is favourable is due to differences in the two schemes. In the case of USS it is not possible to identify the assets and liabilities specific to the University of Salford so it is accounted for as a defined contribution scheme. A charge or gain is only recorded on completion of an actuarial valuation (currently every 3 years), when there is a contractual commitment e.g. agreement of revised contributions, to fund a deficit within the scheme. In the case of GMPF as we are able to identify the assets and liabilities for the University of Salford, an annual actuarial valuation for accounting purposes is undertaken (this is in addition the statutory 3 year scheme valuation) with the resulting gain or loss reflected in the Statement of Comprehensive Income and Expenditure. Further details can be found in Accounting Policies – Accounting for Retirement benefits Note 6, Critical accounting estimates (b) Accounting for retirement benefits and Note 15 – Pension Asset and Note 30 Pension Schemes.

Controllable income

In 2021-22 total income increased by £17.0m (7.4%) to £247.9m.

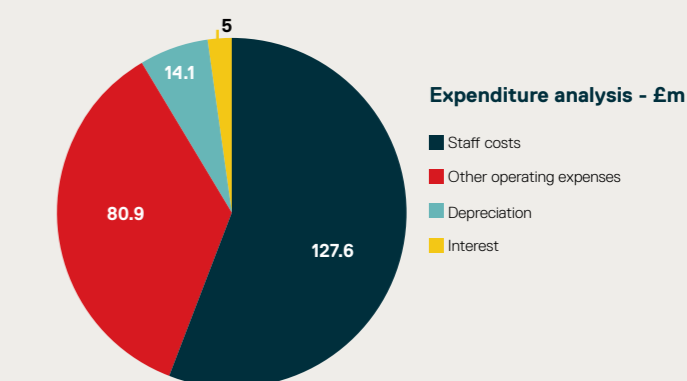


Total tuition fees and educational contracts increased by £10.8m (5.7%) to £200.4m. Home and EU student fees fell by £7.2m but this was more than compensated for by an increase in international students of £16.4m particularly in post graduate provision. The remaining growth was concentrated in part time and short course provision.

The Funding body grants decreased slightly by £0.3m (-1.4%) to £21.2m, research grants and contracts increased by £0.5m (7.5%) to £6.8m while Other Income increased by £5.1m (40.5%) to £17.7m. The increase in Other Income reflects the return to normal activity levels post Covid-19 with no significant underwriting of accommodation fees in 2021-22.

Controllable expenditure

In 2021-22 total expenditure increased by £13.2m (6.2%) to £227.6m.



Staff costs increased by £3m (2.4%) to £127.6m. The rise in costs reflects a nationally agreed pay rise of 1.5%, scale rises, increased pension costs and one off cost of living support payments of £500 for all staff employed at the 30th of June 2022. Recurrent staff costs now account for 51.4% of income compared to 53.1% in 2020/21 with the University having a higher level of vacancies than previous years. This key KPI continues to be closely monitored.

Other operating expenses rose by £10.2m (14.4%) to £80.9m. In 2021-22 most categories of expenditure have risen as the University moved to a post covid operating environment, including targeted investments to support the student experience. There have been significant increases in financial charges £2.6m, premises maintenance £2.5m, Rents, rates, and utilities £2.2m and IT costs £1.1m. The increase in finance charges was due to loan breakage costs incurred in the early repayment of a number of loans.

Depreciation and interest costs are unchanged.

Statement of Financial Position

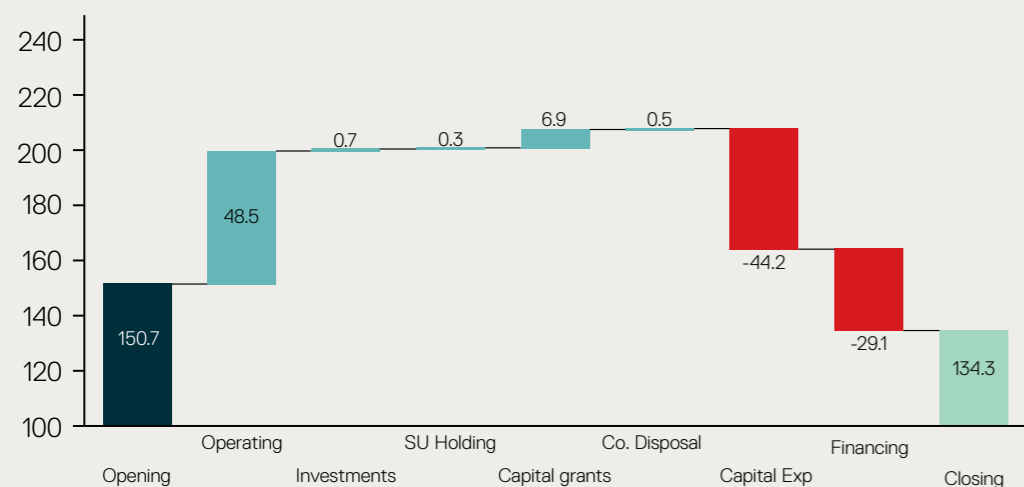
At the 31 July 2022 our Total net assets had increased by £106.9m to £186.2m reflecting the total comprehensive income for 2021-22.

During the year we repaid all of the Barclays loans and the smaller Lloyds loan. At the 31 July we have secured borrowing including derivatives and finance leases of £32.2m (£63.3m at 31 July 2021) which represents 13.0% (27.4% at 31 July 2021) of income and is below the sector average. We are continuing to plan to finance future capital expenditure through our current cash holdings, internally generated resources including land sales and grants rather than additional borrowing.

We have pension provisions totalling £73.2m (£142.1m at 31 July 2021) which includes an obligation to fund the deficit on USS pensions of £62.8m (£25.5m at 31 July 2021) and enhanced Teachers' Pension Scheme liabilities of £10.2m (£12.3m at 31 July 2021) and a pension surplus in the GMPF scheme of £5.2m (deficit of £104.2m at 31 July 2021). Affordability of pensions is a key financial risk and since 1st August 2019 colleagues appointed on grades 1 to 6 are only eligible to join the University of Salford Pension plan which is a defined contribution scheme.

We continue to have healthy net current assets of £88.5m (£108.3m at 31 July 2021), with cash and short-term net investments of £134.3m (£150.7m at 31 July 2021) which is enough to cover 231 days of day to day expenditure (2021: 275). The waterfall chart below explains the fall in cash and investments over the last 12 months by analysing the cash flow statement.

Movement in Cash and Investment Balances £m in 2021-22

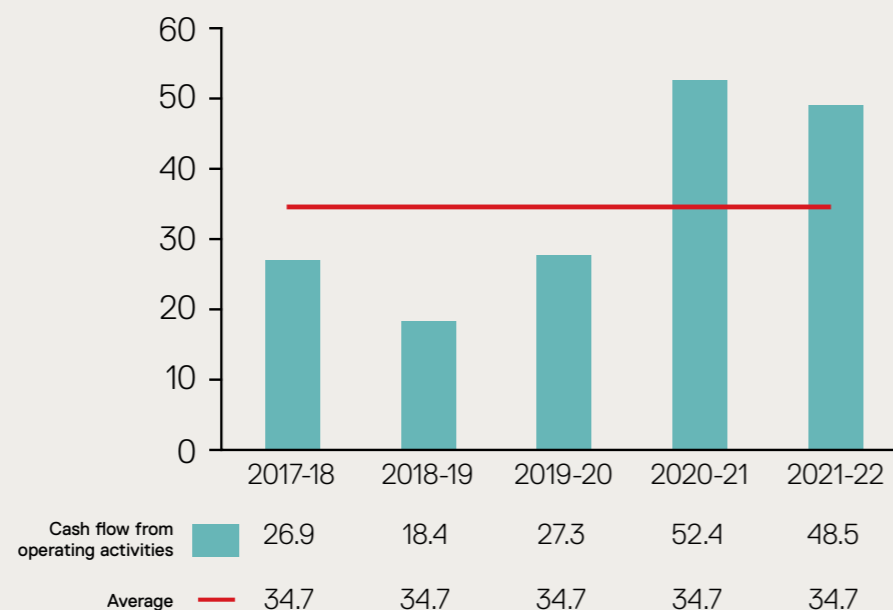


Cash flow

Cash flow generation continues to be our key financial metric, particularly in a time of volatile pension movements. We plan to continue to generate above the sector average to continue to invest in our students' experience.

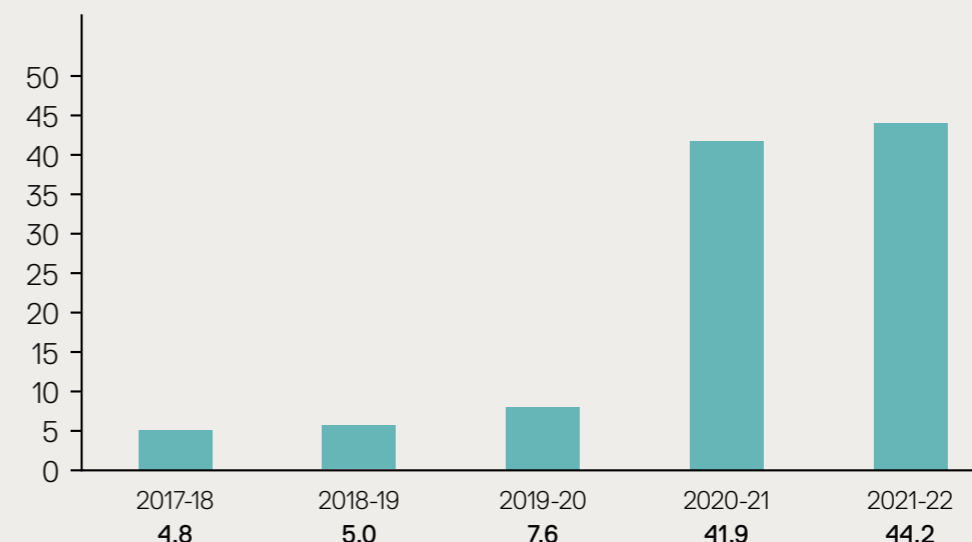
Cash flow from operating activities was £48.5m (2020-21 £52.4) which is 19.6% of income. The last two years has been above trend reflecting higher levels of underlying controllable surpluses as well as significantly increased levels of deferred income, payments on account for international students and higher levels of year end creditors as equipment is delivered in July but not paid for until the new year.

Cash inflow from operating activities - £m



Capital Expenditure

Capital expenditure - £m



We continue to invest in our estate and equipment, spending £44.2m. Schemes in 2021-22 included construction of the new Science & Engineering Building, Energy House 2 and the North of England Robotics Innovation Centre.

Payment of Creditors

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

During 2021-22 the University paid 98% (2020-21: 91%) of invoices received within 30 days under Public Contract Regulation 113. Under the new legislation the University is required to report the value of notional interest due on invoices that are paid late and for 2020-21 this is £9,263 (2020-21 £10,451).

Professional Advisors

Bankers	Lloyds Bank plc and Barclays Bank plc
Investment Advisors	Kingswood
Internal Auditor	Price Waterhouse Coopers
External Auditor	KPMG LLP

Conclusion and Future Prospects

Over the last 5 years the University's cash inflow from operating activities has averaged £34.7m, showing the University has a good track record of generating cash to invest in our students, staff and facilities. The future prospects of the University are considered over a 5 year period with the financial plan for 2022-23 to 2026-27 approved by Council in July 2022. The financial plan includes annual Income & Expenditure statements, capital expenditure, cash flow and balance sheet statements and an assessment of loan covenant compliance at each year end. Part of the financial planning process includes scenario planning which stress tests key assumptions in respect of student recruitment, pay awards and pensions as well as the potential impact of external factors such as cost of living issues on student recruitment and retention. The scenario planning also included consideration of potential remedial actions and these scenarios are reviewed on an ongoing basis.

Overall recruitment for 2022-23 has been sound and the University is again targeting a "controllable" surplus in 2022-23. The external environment is likely to continue to be challenging due to high levels of inflation and the impact on the cost of living. Despite these pressures the University's underlying financial position remains sound and the University will continue to invest in improving the student experience with continued investment in both infrastructure and staff planned.

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

Professor H Marshall
Vice Chancellor

Rt Hon. Lord Bradley
Chair of Council

2 December 2022

GOVERNANCE

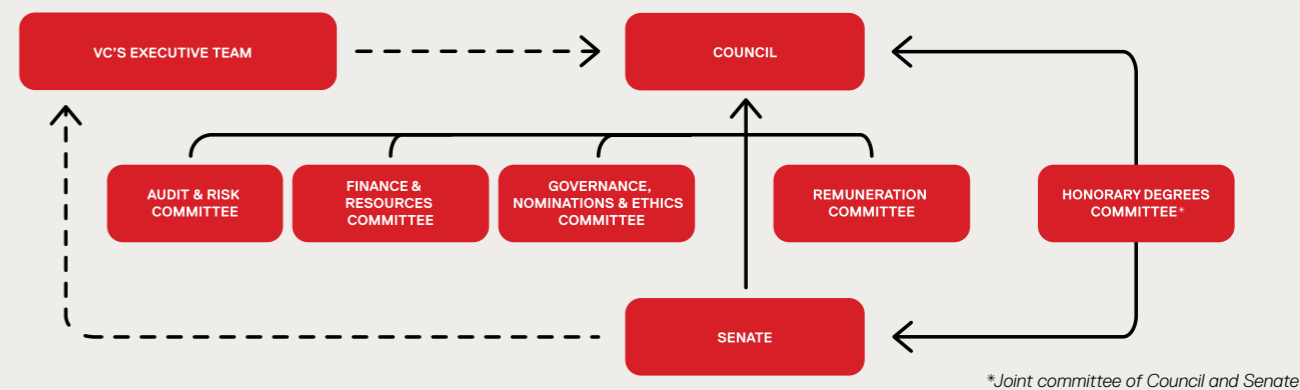
MEMBERSHIP OF THE COUNCIL

	Term during 21/22	ARC	FRC	GNEC	HDC	RemCo	Lead member
INDEPENDENT MEMBERS							
Rt Hon. Lord Bradley (Chair)	2nd		Ex officio	Ex officio	Ex officio	Ex officio	
Sean O'Hara (Deputy Chair)	3rd		✓	✓	Ex officio	Ex officio	International
Angela Adimora	1st		✓				
Professor Dame Sue Bailey	2nd				✓		
Dr Tony Coombs	2nd	✓					
Phil Cusack	3rd					✓	
Garry Dowdle	3rd		✓				IT
Ben Gallop	3rd				✓		
Philip Green	1st	✓					
Merlyn Lowther	2nd	✓				✓	
Councillor John Merry	2nd		Co-optee				
Ian Moston	3rd		✓				Finance
Micheal Omoniyi	1st			✓			
Sam Plant	3rd			✓			
Alan Roff	2nd		✓				
Helen Taylor	2nd					✓	
Dr Elsa Zekeng	1st	✓					
STAFF AND STUDENT MEMBERS							
Professor Helen Marshall (Vice-Chancellor)	Ex officio		Ex officio	Ex officio	Ex officio		
Jennifer Bayjoo (from 01 April 2022)	1st						
Brian Boag (from 01 November 2021)	1st						
Rik Sterken (until 31 March 2022)	1st						
Professor Mike Wood	2nd			✓			
Festus Robert [#]	1st/2nd				✓		
Akeem Ojetola [#]	1st						
Simeon Anyalemechi [#]	1st						
CO-OPTED MEMBERS							
John Bland	2nd	✓					
Stephen Gleave	1st		✓				
Dr Victoria Halliwell	Senate				Senate		
David McGovern	2nd			✓			
Jo Purves	Ex officio				Ex officio ⁺		
Claire Sproston	1st			✓		✓	
Natalie Walker	1st	✓				✓	
Nigel Wilcock	1st	✓					

[#] due to alignment with the election of sabbatical officers of the Students' Union, student members' terms commence on 01 July and cease on 30 June
⁺ ex officio in their capacity as member of Senate
 NB: There are currently vacancies for the role of Lead Member for Estates, Lead Member for Human Resources, and Lead Member for Student Experience

KEY:
 ARC – Audit and Risk Committee
 FRC – Finance and Resources Committee
 GNEC – Governance, Nominations and Ethics Committee
 HDC – Honorary Degrees Committee
 REMCO – Remuneration Committee

UNIVERSITY GOVERNANCE AT A GLANCE



CORPORATE GOVERNANCE STATEMENT

(in respect of financial year 2021-22 and the period up to the approval of the financial statements on 02 December 2022).

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

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

The Charter requires the University to have a supreme governing authority (the Council) and an academic authority (the Senate). Through the Charter and the Statutes, Council and Senate are granted defined functions and responsibilities, including giving Council the power to establish standing committees to discharge certain parts of its governing duties.

The University is committed to observing the highest standards of governance. Properly enacted this will ensure integrity and objectivity in the transaction of business, and wherever possible demonstrate probity and transparency. In making this commitment, the University has adopted the Higher Education Code of Governance (revised 2020) published by the Committee of University Chairs (CUC), and accordingly also adopted the CUC Higher Education Senior Staff Remuneration Code (2018) and the CUC Higher Education Audit Committees Code of Practice (2020).

The HE Code of Governance adopts and builds on the Principles of Public Life (the 'Nolan Principles') which together provide an overarching ethical framework for the personal and collective behaviours of governors

(selflessness, integrity, objectivity, accountability, openness, honesty and leadership). To ensure personal responsibility for the Nolan Principles and proper conduct of business in the public interest, the Council approves and keeps under regular review a Code of Conduct for Members of Council and Senior Officers (revised July 2021). To give practical effect to the Nolan Principles, the University implements (and also keeps under review) a range of corporate policies approved by the Council which apply to all colleagues and students (where indicated (*)):

Financial Regulations and Delegated Financial Authority

Regulations and approved authorities to ensure effective accountability, regularity and propriety in the use of public or private funding, creation of value for money, funding use in accordance with any issued grant(s), compliance with relevant legislation, and that the assets of the University are safeguarded.

Counter Fraud Policy & Response Plan / Anti-Bribery Policy / Criminal Finance Act Policy

The processes by which suspicion of theft, fraud, bribery, corruption or financial irregularity can be reported, and how these reports are dealt with.

Register of Interests, Gifts and Hospitality Policy (Declaration and Management Conflicts of Interest)

Interests (pecuniary or otherwise) gifts and hospitality that could give rise to a perceived, potential or realised conflict of interest are understood, declared and appropriately acted upon, and, where applicable, logged on the Register of Interests and/or the Register of Gifts and Hospitality. Conflicts of interest are also practically managed through the Standing Orders for Committees.

Whistleblowing Policy

The process by which an employee can make a disclosure which they believe to be in the public interest (i.e., possibly unethical, criminal, fraudulent or dangerous behaviour), the approach the University is bound to undertake in response to whistleblowing reports, and the management actions it can implement.

There are also two value frameworks which encompass wider policy sets, processes and local strategies:

✓ The Inclusive University*

The range of policies that recognise the University's commitment to equality, fairness, autonomy, dignity and respect in the workplace, and safety. This includes the University's Modern Slavery Act Statement, which is approved annually by the Governance, Nominations and Ethics Committee, and the Council recently approved an Equality, Diversity and Inclusivity (EDI) Statement (July 2022) to define the University's institutional commitments.

✓ The Ethics Framework*

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

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

The Covid-19 pandemic continued to impact on meetings during the year, and members only started to return to campus for refresher tours and meetings from March 2022 onwards. Prior to this transition meetings were undertaken via digital conferencing, utilising the Microsoft Office365 platform and applications to support digital resources. Consideration for the use of hybrid meetings has been undertaken and can be utilised where a need arises, however it is expected that Council meetings will be held wholly on campus or online depending on the prevailing circumstances. This decision was taken to ensure governance arrangements can be properly enacted through the number of members and attendees required at each event. The formal groups and procedures enacted to manage operations during the pandemic were stood down throughout March 2022, and the Council received its final report at the April 2022 meeting. The Council endorsed the plan to return to 'business-as-usual' activities and approved the removal of the standing item regarding operations during a pandemic, noting that this is subject to external variables.



COUNCIL

Chair: Rt Hon. Lord Bradley, met five times during 2021-22.

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

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

There are a maximum of twenty-four members of the Council, the majority of whom must be independent (twenty-three actual members during 2021-22). There are student and staff members, and an appointee from the Senate. The role of Secretary to the Council (University Secretary) has been undertaken by an interim appointment during the 2021-22 session, and it is expected a permanent appointment will be made during the 2022-23 academic year.

None of the members receive payment for membership, except for reimbursement for expenses (e.g., travel costs). The role of Chair is offered on a remunerated basis however the current incumbent has waived this right.

Members of the Council are trustees for charitable law purposes.

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

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

1. Strategic Development and Planning

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

2. Monitoring Effectiveness and Performance

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

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

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

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

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

3. Academic Affairs

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

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

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

4. Legal and Regulatory Commitments and Obligations

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

5. Finance

Ensuring the solvency of the University and safeguarding its assets.

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

Ensuring that the funds provided by the Office for Students (OfS) are used in accordance with the terms and conditions specified in the OfS terms and conditions.

- a) Considering and approving annual accounts.
- b) Ensuring that, subject to relevant legislation, appropriate arrangements are in place for the management and operation of such companies as are wholly or partly owned by the University.
- c) Acting as a trustee for any property, legacy, endowment, bequest or gift in support of the welfare of the University.

6. Audit and Risk

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

7. Estate Management

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

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

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

8. Human Resource Management

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

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

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

9. Governance and management

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

10. Ethics and Values

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

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

Promoting a culture which supports inclusivity and diversity across the University.

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

11. Public Benefit

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

12. Students' Union

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

Student experience continues to be the lead standing item at each meeting of the Council, to provide a platform for a range of individual 'lived experiences' to be discussed. Biannual reports from the University of Salford Students' Union (USSU) are received in the Autumn and Spring meetings, and reports on the University's

Equality, Diversity and Inclusivity (EDI) action plan and the University's Enabling Student Success (ESS) action plan are standing items throughout the session.

Alongside scheduled business, the Council approved a refreshed Corporate Strategy at its meeting in July 2022. The member development session in October 2022 explored the individual pillars and delivery plans ahead of the 2022-23 session.

There are five standing Committees of Council: Audit and Risk; Finance and Resources; Governance, Nominations and Ethics; Remuneration; and Honorary Degrees (established jointly with Senate).

Members of the Council may be appointed to serve on one or more of the standing committees, in order for it to properly discharge its duties and responsibilities. Other special or ad hoc working groups may be established from time to time and will meet as appropriate. Within this year, the task and finish group convened to search for the next Chancellor of the University concluded and made its recommendations to Governance, Nominations and Ethics Committee with Lucy Meacock appointed.

Each standing committee has written terms of reference and dates of meetings are fixed and published in advance. Governance, Nominations and Ethics Committee reviews the terms of reference for each standing committee, thus ensuring that Council fulfilled its responsibilities to ensure effective governance and controls. Key items taken by each committee during 2021/22 are outlined below:

AUDIT AND RISK COMMITTEE (ARC)

Chair: Merlyn Lowther, met five times during 2021/22 plus a thematic meeting on financial risk.

- / Internal audit
- / External audit, including statutory end-of-year accounts
- / Corporate Risk Register and Business Assurance Framework
- / Health and safety annual report and oversight of Covid-19 management operations and risk assessment (until March 2022)
- / Regulatory compliance, including reportable events to the Office for Students (OfS) and regulatory returns
- / Annual value-for-money report (aligned to the OfS VFM Strategy, 2019)
- / Transparent Approach to Costing (TRAC) (the return on the allocation of resources between Teaching, Research and Enterprise)
- / Oversight of cybersecurity arrangements
- / Policy assurance (e.g., Whistleblowing Policy and Data Quality Policy)
- / Adoption of the CUC Higher Education Audit Committees Code of Practice



FINANCE AND RESOURCES COMMITTEE (FRC)

Chair: Sean O'Hara, met five times during 2021-22, plus attended Audit and Risk Committee for the item considering the year-end financial accounts/statutory returns.

- / Financial performance and solvency, including subsidiary companies
- / Oversight of University Pension Schemes
- / Estate and facilities management, including the Campus Masterplan and Environmental Sustainability Plan
- / Oversight of human resources under the People Plan
- / Delivery of Information technology (One Digital Campus)
- / Student recruitment and student experience/value-for-money, including international student recruitment plans
- / Review of the 5-year budget
- / Bad Debt Recovery Report
- / Updates on Covid-19 management operations (until March 2022)

GOVERNANCE, NOMINATIONS AND ETHICS COMMITTEE (GNEC)

Chair: Sam Plant, met four times during 2021-22.

- / Oversight and assurance of corporate governance arrangements
- / Whistleblowing reports
- / Policy Review, including Whistleblowing Policy
- / Oversight of the Prevent Agenda
- / Oversight of the ethical framework (non-academic)
- / Council membership and succession planning, including skills assessment and balance of diverse characteristics
- / Council members, induction and development
- / Council Effectiveness Review recommendations implementation

REMUNERATION COMMITTEE (REMCO)

Chair: Helen Taylor, met six times during 2021-22 (four ordinary and two special meetings).

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

HONORARY DEGREES COMMITTEE (HDC)

Chair: Professor Helen Marshall, met twice during 2021-22 (one ordinary and one special meeting).

- / Consideration of nominees to receive an honorary award
- / Regulations for the revocation and rescindment of honorary awards

UNIVERSITY COUNCIL AND THE OFFICE FOR STUDENTS (OFS)

The University has been registered with the OfS since September 2018 and, under the Regulatory Framework for Higher Education in England, the governing body is responsible for ensuring the 'provider's compliance with all of its conditions of registration and with the OfS's accounts direction' (Condition E3).

The governing body is also responsible for the adequacy and effectiveness of corporate governance (Condition E2), risk management and ensuring compliance with the terms and conditions of funding for OfS, UK Research and Innovation and other government funders.

Audit and Risk Committee largely fulfils these responsibilities on behalf of Council supported by the work undertaken by internal and external auditors.



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

- / the Pro Vice-Chancellor Academic Development
- / the Pro Vice-Chancellor Student Experience
- / the Pro Vice-Chancellor Research and Enterprise
- / the Chief Operating Officer
- / the Associate Chief Operating Officer
- / the Executive Director of Finance (also appointed Deputy Chief Executive for a period of two years from 1 October 2021)
- / the Director of HR and Organisational Development (interim appointment 2021-22)

In attendance at VCET Meetings during 2021-22 were the Director of Strategy, the University Secretary and Director of Academic Quality (interim), the Dean of the School of Health and Society, the Dean of the School of Science, Engineering and Environment, the Dean of the School of Arts, Media and Creative Technologies, and the Dean of the Salford Business School.

Specific assurance mechanisms used in 2021-22 were:

- / Consideration of the University's annual returns to OfS and other bodies
- / Timely and effective communication with key University officers
- / Monitoring of OfS compliance via the Business Assurance Framework
- / Oversight of reportable event submissions to the OfS

The governing body is responsible for financial sustainability (Condition D). Finance and Resources Committee fulfils this responsibility on behalf of Council and prior to approval of the annual accounts the Committee undertook a review of the University's status as a 'going concern'.

VICE-CHANCELLOR'S EXECUTIVE TEAM MEETING

Chair: Professor Helen Marshall, met weekly during August and September 2021, and fortnightly thereafter for the remainder of 2021-22.

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

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

SENATE

Chair: Professor Helen Marshall, met six times during 2021-22 (four ordinary and two special meetings).

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

- / Assurance of the quality of learning opportunities, academic practices and the student experience, and promote their enhancement
- / Development and promotion of research and innovation
- / Authorisation of the University's Academic Regulations and accompanying policies and procedures

STATEMENT OF INTERNAL CONTROL (CORPORATE GOVERNANCE)

(in respect of financial year 2021-22 and the period up to the approval of the financial statements on 02 December 2022).

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

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

The key elements of the Group's system of internal financial controls, which are designed to discharge the responsibilities include the following:

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

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

The system of internal control is based on an ongoing process designed to identify the principal risks; including business, operational, compliance and financial, to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently and economically. These procedures have been in operation throughout the year ended 31 July 2022 and up to the date of the approval of the financial report and accounts.

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

- a) In accordance with the approved Risk Management Policy, a Corporate Risk Register is maintained and reviewed. The Corporate Risk Register looks at all risks including financial, business, operational (Schools, Professional Support and subsidiaries), projects and compliance and considers the likelihood of a risk occurring, the impact and threat and also mitigating action that is being taken to manage the risk.
- b) Charged the Vice Chancellor's Executive Team with overseeing the management of risk.
- c) The Vice-Chancellor's Executive Team receive quarterly risk management and internal control updates and risk management is embedded in day to day operations at both School and Professional Support levels.

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

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

In the academic year 2021-22, the University's internal audit service was provided by PriceWaterhouseCoopersLLP (PWC) which operates to standards defined in the OfS Audit Code of Practice. The internal auditors submit regular reports which include an independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement and the University's performance in delivering value for money. PWC undertook 12 internal audit reviews during 2021-22 of which 1 audit was advisory in nature and 11 audits where a risk classification was provided. Where a risk classification was provided 8 resulted in a "Low risk" and 3 "Medium risk" classification with 28 recommendations being made of which 1 was graded high, 11 were graded medium and 16 low. A further 12 actions were in respect of advisory audits. PWC undertook follow up work on previous recommendations in 2021-22 and concluded that 94.8% of audit recommendations had been implemented with the rest no longer relevant. Based on the reviews undertaken during 2021-22, PWC concluded that "Governance, risk management and control and value for money arrangements in relation to business critical areas is generally satisfactory. However, there are some areas of weakness and non-compliance in the framework of governance, risk management and control and value for money arrangements which potentially put the achievement of objectives at risk." This opinion is the second highest of the four opinions available.

In 2021-22 the University's external audit was undertaken by KPMG. The primary focus of external audit is to obtain reasonable assurance that the financial statements are free from material error and that funds from external sources including OfS have been applied in accordance with the terms and conditions of funding. In undertaking the audit, the external auditors review the internal controls that are relied upon in producing the financial statements and highlight weaknesses - no significant weaknesses were highlighted during the audit. The external auditors are not required to comment on the University's value for money during the audit but do provide benchmarking information on the University's performance relative to other institutions.

Our review of the effectiveness of the system of internal control is informed by both the work of the internal and external auditors and the senior managers within the University who have responsibility for the development and maintenance of the internal control framework and by comments made by the external auditors in their management letter and other reports.

STATEMENT OF COUNCIL RESPONSIBILITIES

IN RESPECT OF THE INTEGRATED REPORT AND FINANCIAL STATEMENTS

The Council are responsible for preparing the Strategic Report and the financial statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

We are required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education. We are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for that period.

In preparing each of the group and parent University financial statements, we are required to:

- ✓ Select suitable accounting policies and then apply them consistently
- ✓ Make judgements and estimates that are reasonable and prudent
- ✓ State whether applicable UK accounting standards and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements
- ✓ Assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- ✓ Use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

We are responsible for keeping adequate accounting records that are sufficient to show and explain the

parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. We are responsible for such internal control as we determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

We are also responsible for ensuring that:

- ✓ Funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- ✓ Income has been applied in accordance with the University's Statutes and funds provided by the Office for Students, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the terms and conditions attached to them
- ✓ There are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- ✓ Securing the economical, efficient and effective management of the university's resources and expenditure

We are responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Rt Hon. Lord Bradley
Chair of Council

2 December 2022



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF SALFORD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the University of Salford ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Changes in Reserves, Consolidated and University Balance Sheet, Consolidated Cash Flow Statement and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- ✓ give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- ✓ have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition due to tuition fees being generally based on standard fee rates and due to the relatively low level of variable fees. We don't believe there to be an incentive to manipulate other income streams that are material.

We did not identify any additional fraud risks.

We also performed procedures including:

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

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

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), taxation legislation, pensions legislation and higher education financial reporting related regulation and

we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with Higher Education regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Council and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Other information

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

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

Council responsibilities

As explained more fully in its statement set out on page 50, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- ✓ funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;

- ✓ income has been applied in accordance with the University's Statutes;
- ✓ funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- ✓ the financial statements meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

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

This report is made solely to the Council in accordance with the Articles, Charters, Statutes, or Ordinances of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

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

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

8 December 2022



CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE YEAR ENDED 31 JULY 2022

	Notes	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	200,417	199,073	189,604	188,503
Funding body grants	2	21,206	21,206	21,490	21,490
Research grants and contracts	3	6,775	6,775	6,300	6,300
Other income	5	17,746	17,649	12,588	12,495
Investment income	6	748	747	618	618
Donations and endowments	7	989	989	294	294
Total income		247,881	246,439	230,894	229,700
Expenditure					
Staff costs	8	125,856	122,802	124,350	121,417
Change in USS deficit recovery plan	8a	38,501	38,501	-	-
Other operating expenses	10	80,854	82,457	70,745	72,247
Depreciation	12	14,137	14,137	14,116	14,116
Interest and other finance costs	9	4,997	4,998	4,954	4,955
Total expenditure		264,345	262,895	214,165	212,735
(Deficit)/Surplus before other (losses)/gains		(16,464)	(16,456)	16,729	16,965
Loss on disposal of fixed assets	12	(107)	(107)	(36)	(36)
(Deficit)/Surplus before tax		(16,571)	(16,563)	16,693	16,929
Gain on disposal of investment		530	-	-	-
Taxation	11	-	-	-	-
(Deficit)/Surplus for the year		(16,041)	(16,563)	16,693	16,929
Actuarial gain in respect of pension schemes	30	117,961	117,961	6,238	6,238
Change in fair value of hedging financial instruments	32	5,020	5,020	2,736	2,736
Total comprehensive income for the year		106,940	106,418	25,667	25,903

CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (CONTINUED) YEAR ENDED 31 JULY 2022

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Represented by:				
Endowment comprehensive income/ (expenditure) for the year	(108)	(108)	98	98
Restricted comprehensive income / (expenditure) for the year	626	626	(207)	(207)
Unrestricted comprehensive income/ (expenditure) for the year	106,422	105,900	25,776	26,012
	106,940	106,418	25,667	25,903
(Deficit)/ Surplus for the year attributable to:				
University	(16,041)	(16,563)	16,693	16,929

The accompanying notes form part of the financial statements.



CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

	INCOME AND EXPENDITURE ACCOUNT					
	Endowment	Restricted	Unrestricted	Hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	579	835	27,651	(11,153)	35,698	53,610
Surplus/(deficit) from the income and expenditure statement	98	(207)	16,802	-	-	16,693
Other comprehensive income / (expenditure)	-	-	6,238	2,736	-	8,974
Transfers between revaluation and income and expenditure reserve	-	-	4,131	-	(4,131)	-
Total comprehensive income / (expenditure) for the year	98	(207)	27,171	2,736	(4,131)	25,667
Balance at 1 August 2021	677	628	54,822	(8,417)	31,567	79,277
(Deficit)/Surplus from the income and expenditure statement	(108)	626	(16,559)	-	-	(16,041)
Other comprehensive income / (expenditure)	-	-	117,961	5,020	-	122,981
Transfers between revaluation and income and expenditure reserve	-	-	3,887	-	(3,887)	-
Total comprehensive income / (expenditure) for the year	(108)	626	105,289	5,020	(3,887)	106,940
Balance at 31 July 2022	569	1,254	160,111	(3,397)	27,680	186,217

The accompanying notes form part of the financial statements

INSTITUTION STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

	INCOME & EXPENDITURE ACCOUNT					
	Endowment	Restricted	Unrestricted	Hedge reserve	Revaluation reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	579	835	27,108	(11,153)	35,698	53,067
Surplus/(deficit) from the income and expenditure statement	98	(207)	17,038	-	-	16,929
Other comprehensive income / (expenditure)	-	-	6,238	2,736	-	8,974
Transfers between revaluation and income and expenditure reserve	-	-	4,131	-	(4,131)	-
Total comprehensive expenditure for the year	98	(207)	27,407	2,736	(4,131)	25,903
Balance at 1 August 2021	677	628	54,515	(8,417)	31,567	78,970
(Deficit)/Surplus from the income and expenditure statement	(108)	626	(17,081)	-	-	(16,563)
Other comprehensive income / (expenditure)	-	-	117,961	5,020	-	122,981
Transfers between revaluation and income and expenditure reserve	-	-	3,887	-	(3,887)	-
Total comprehensive income / (expenditure) for the year	(108)	626	104,767	5,020	(3,887)	106,418
Balance at 31 July 2022	569	1,254	159,282	(3,397)	27,680	185,388

The accompanying notes form part of the financial statements

CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

	Notes	AS AT 31 JULY 2022		AS AT 31 JULY 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	12	223,430	223,430	195,066	195,066
Investments	14	128	171	128	5
Pension asset	15	5,156	5,156	-	-
		<u>228,714</u>	<u>228,757</u>	<u>195,194</u>	<u>195,071</u>
Current assets					
Stock	16	31	31	106	106
Trade and other receivables	17	30,586	30,364	30,020	29,841
Investments	18	100,791	100,791	116,331	116,331
Cash and cash equivalents	25	33,505	33,327	34,332	34,079
		<u>164,913</u>	<u>164,513</u>	<u>180,789</u>	<u>180,357</u>
Less: Creditors: amounts falling due within one year	19	(76,455)	(76,927)	(72,500)	(72,252)
Net current assets		<u>88,458</u>	<u>87,586</u>	<u>108,289</u>	<u>108,105</u>
Total assets less current liabilities		<u>317,172</u>	<u>316,343</u>	<u>303,483</u>	<u>303,176</u>
Creditors: amounts falling due after more than one year	20	(55,971)	(55,971)	(80,474)	(80,474)
Provisions for liabilities					
Pension provisions	21	(73,178)	(73,178)	(142,137)	(142,137)
Other provisions	21	(1,806)	(1,806)	(1,595)	(1,595)
Total net assets		<u>186,217</u>	<u>185,388</u>	<u>79,277</u>	<u>78,970</u>
Restricted reserves					
Income and expenditure reserve - endowment reserve	23	569	569	677	677
Income and expenditure reserve - restricted reserve	24	1,254	1,254	628	628
Unrestricted reserves					
Income and expenditure reserve – unrestricted		160,111	159,282	54,822	54,515
Revaluation reserve		27,680	27,680	31,567	31,567
Hedge reserve	32	(3,397)	(3,397)	(8,417)	(8,417)
Total reserves		<u>186,217</u>	<u>185,388</u>	<u>79,277</u>	<u>78,970</u>

The accompanying notes form part of the financial statements.

The financial statements were approved by the Council on 2 December 2022 and were signed on its behalf on that date by:

Rt Hon. Lord Bradley
Chair of Council

Professor Helen Marshall
Vice- Chancellor

Mrs Julie Charge
Executive Director Finance

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 JULY 2022

	Notes	YEAR ENDED 31 JULY 2022 £'000	YEAR ENDED 31 JULY 2021 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year before taxation		(16,041)	16,693
Adjustment for non-cash items			
Depreciation	12	14,137	14,116
Decrease in stock		75	3
(Increase) in debtors		(745)	(3,054)
Increase in creditors		7,604	18,377
Decrease/ (Increase) in pension provision		41,904	3,989
Increase in other provisions		211	202
Adjustment for investing or financing activities			
Investment income	6	(748)	(618)
Interest payable	9	4,997	4,954
Endowment Income		-	-
Loss on disposal of fixed assets		107	36
(Profit) on disposal of investments		(530)	-
Deferred capital grant release		(2,465)	(2,300)
Cash flow from operating activities		<u>48,506</u>	<u>52,398</u>
Taxation		-	-
Net cash inflow from operating activities		<u>48,506</u>	<u>52,398</u>
Cash flows from investing activities			
Withdrawal /(Placement) of deposits		15,828	941
Investment income		748	618
Receipts from disposal of fixed assets		-	221
Receipts from disposal of investments		530	-
Payments made to acquire fixed assets		(44,207)	(41,945)
Deferred capital grants received		6,905	7,870
		<u>(20,196)</u>	<u>(32,295)</u>
Cash flows from financing activities			
Interest paid		(2,977)	(3,199)
Repayments of amounts borrowed		(26,160)	(4,050)
		<u>(29,137)</u>	<u>(7,249)</u>
(Decrease)/Increase in cash and cash equivalents in the year		<u>(827)</u>	<u>12,854</u>
Cash and cash equivalents at beginning of the year	25	34,332	21,478
Cash and cash equivalents at end of the year	25	33,505	34,332

The accompanying notes form part of the financial statements.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

1. Accounting convention

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

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

2. Basis of preparation

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

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

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

The University prepares a 5 year financial plan which is updated and approved on an annual basis. The most recent plan was approved on the 15 July 2022 by the University Council. As part of the plan University Council considered the impact of several scenarios on the financial plan and Council adopted a stress testing framework against the plan. The stress testing impacts were measured against loan covenants and potential mitigating actions were identified to reduce expenditure.

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

The financial plan has included preparing monthly cash flow forecasts up until July 2024.

The University Council after reviewing the original 5 year financial plan and the groups updated financial plan after student registration, is of the opinion that, having taken account a range of plausible downsides the group and university have adequate resources to continue for the foreseeable future. The University Council believe the group and University has sufficient funding in place to be compliant with its debt covenants even in downside scenarios.

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

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

3. Exemptions under FRS102

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

4. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2022.

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

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

5. Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount.

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

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

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

Grant funding

Government revenue grants including funding council block and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the statement of financial position and released to income as the conditions are met.

Donations and endowments

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

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

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the

terms applied to the individual endowment fund.

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Capital government grants in respect of buildings and equipment are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the Consolidated Statement of Comprehensive Income and Expenditure over the useful life of the asset, at the same rate as the depreciation charge on the asset for which the grant is awarded. Government research grants are also treated as deferred capital grants with the grants credited to deferred capital grants with an annual transfer made to the Consolidated Statement of Comprehensive Income and Expenditure over the life of the grant, at the same rate as the depreciation charge on the asset for which the grant is awarded. Where part of a capital grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

6. Accounting for retirement benefits

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

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

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

scheme which is contracted out of S2P.

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

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme, as a defined contribution retirement benefit scheme.

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

Defined contribution plan

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

Multi-employer schemes

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the University has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the University recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Defined benefit plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The Group recognises 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. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

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

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

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

7. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

8. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

9. Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and

financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

10. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

11. Foreign currency

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

The assets and liabilities of foreign operations are translated to the Group's presentational currency, (Sterling), at foreign exchange rates ruling at the 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. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

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

12. Fixed assets

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

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

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

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

Refurbishment costs are depreciated over 10 years.

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

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

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

Equipment

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

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

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

Borrowing costs

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

13. Intangible assets

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

14. Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

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

15. Financial Instruments

The Institution has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the Institution becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts

discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

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

Financial liabilities

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

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

To the extent that the Institution enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the

contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Institution does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

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

16. Derivatives

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

17. Stock

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

18. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

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

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

20. Taxation

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

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

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

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

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

21. Reserves

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Significant Judgements:

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

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

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

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

Property, plant and equipment represent a significant proportion of the Institution's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the Institution's reported performance. Useful lives are determined at the time the asset is acquired and reviewed

regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

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

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

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

In autumn 2015 the University entered into a 45 year arrangement with Standard Life Investments for the provision of car parking at the Peel Park accommodation. As the University assumes the risks and rewards of ownership this has been accounted for as a finance lease with a fixed asset net of depreciation to date of £4,009,000 (2020-21 £4,114,000) and liability of £5,312,000 (2020-21 £5,234,000) recognised on the balance sheet which is then accounted for in accordance with the finance lease accounting policies.

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

The University has an annual nominations arrangement with Campus Living Villages where it nominates rooms for students on the Peel Park accommodation within the University campus. As detailed in Note 13 the University accounted for this under the service concession arrangement reflecting the value of these nominations within the

Balance Sheet with the annual nominations then unwound in the Statement of Comprehensive Income and Expenditure the following financial year.

(f) Accounting for hedge arrangements (See Note 20 and 31)

The University has derivatives in place on some of its loans in order to fix the interest rate for the period of the loan. The University Council is satisfied that the conditions are met to account for this under hedge accounting so that movements are separately disclosed after surplus after tax within the Consolidated Statement of Comprehensive Income and Expenditure and a separate hedge reserve is created within reserves in the balance sheet. During the year the reference point for the calculation of interest switched from LIBOR to SONIA but the overall fixed interest rate was unchanged with the hedge continuing to work effectively.

Critical accounting estimates:

(a) Recoverability of debtors (See Note 17)

The University has bad debt provisions in respect of both student and commercial and research debt. The student bad debt provision is calculated on a specific basis according to where the student or the student sponsor is in the debt collection cycle with most debt over 12 months old provided for in full.

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

(b) Accounting for retirement benefits

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

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

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

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

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

The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. The assumptions are the responsibility of management and are set following advice received from a qualified actuary. The return on the Fund in market value terms for the period to 31 July 2022 is estimated based on actual Fund returns to June 2022 as provided by the Administering Authority and index returns, where necessary.

No change has been made to the mortality assumption as at 31 July 2022 to reflect the potential effects of Covid-19. At this stage the impact of Covid-19 on long term mortality rates for pensions scheme members is unclear but a 1 year change in member life expectancy changes liabilities by approximately £8,400,000. Mortality rates will continue to be kept under review in future years.

There has been a change in allowing for inflation experience at 31 July 2022 to make allowance for the exceptionally high inflation over the period since September 2021. The Defined Benefit Obligation (DBO) at 31 July 2022 includes an allowance for emerging inflation experience up to July 2022, which has decreased the DBO by £11.8m.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022

1. Tuition fees and education contracts

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Full-time home and EU students	139,758	139,758	146,935	146,935
Full-time international students	40,027	40,027	23,637	23,637
Part-time students	12,459	12,459	11,195	11,195
Other teaching contracts	5,050	5,050	5,198	5,198
Short courses	2,143	799	1,742	641
Research Training Support Grant	980	980	897	897
	<u>200,417</u>	<u>199,073</u>	<u>189,604</u>	<u>188,503</u>

2. Funding body grants

Recurrent grant

Office for Students	12,626	12,626	12,236	12,236
Research England	4,412	4,412	4,231	4,231

Specific grants

Research England	540	540	347	347
Office for Students Special Initiatives and Hardship Funding	135	135	1,203	1,203
Higher Education Innovation Fund	1,661	1,661	1,678	1,678
Deferred capital grants released in year:				
Buildings	1,303	1,303	1,266	1,266
Equipment	529	529	529	529
	<u>21,206</u>	<u>21,206</u>	<u>21,490</u>	<u>21,490</u>

3. Research grants and contracts

Research councils (UK)	1,539	1,539	1,358	1,358
Research charities (UK)	570	570	593	593
Government (UK and EU)	2,321	2,321	2,395	2,395
Industry and commerce (UK)	433	433	377	377
Knowledge Transfer Partnerships	389	389	170	170
Other	1,058	1,058	1,032	1,032
Deferred Capital Grants Released	465	465	375	375
	<u>6,775</u>	<u>6,775</u>	<u>6,300</u>	<u>6,300</u>

4. Total grant and fee income

Notes	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grant income from the Office for Students	14,593	14,593	15,234	15,234
Grant income from other bodies	13,016	13,016	11,955	11,955
Fee income for taught awards	197,294	197,294	186,965	186,965
Fee income for research awards	1,352	1,352	1,497	1,497
Fee income for non-qualifying courses	2,143	799	1,743	642
	<u>228,398</u>	<u>227,054</u>	<u>217,394</u>	<u>216,293</u>

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

5. Other income

Residences, catering and conferences	10,505	10,440	6,598	6,553
Other income	7,073	7,041	5,860	5,812
Deferred capital grants released in year:				
Buildings	130	130	130	130
Equipment	38	38	-	-
	<u>17,746</u>	<u>17,649</u>	<u>12,588</u>	<u>12,495</u>

The 2020-21 Residences, catering and conference income is after the payment of a nominations underwriting fee to Campus Living Villages.

Other income includes provision of products (including tenant and leisure facilities), consultancy, nursery services and various grants including those for funding of student placements as well as £Nil - Consolidated (20/21 £494,000); £Nil - University (20/-21 £451,000); of government grants under the coronavirus job retention scheme.

6. Investment income

Investment income on endowments	23	2	2	3	3
Other investment income		746	745	615	615
		<u>748</u>	<u>747</u>	<u>618</u>	<u>618</u>

7. Donations and endowments

Donations with restrictions	24	888	888	199	199
Unrestricted donations/donations with performance criteria		101	101	95	95
		<u>989</u>	<u>989</u>	<u>294</u>	<u>294</u>

8. Staff costs

Salaries		88,221	85,424	85,530	82,852
Social security costs		9,486	9,272	9,001	8,792
Movement on USS past service cost on pensions		(1,395)	(1,395)	(923)	(923)
Enhanced Pension on Termination charge	21	197	197	169	169
Other pension costs	30	30,807	30,764	28,939	28,896
Early Retirement, Voluntary Severance, Redundancy and Mutual Consent Initiative ***		(1,460)	(1,460)	1,634	1,631
		<u>125,856</u>	<u>122,802</u>	<u>124,350</u>	<u>121,417</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

8. Staff costs (continued)

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

- / £162,000 payable or paid to 20 University of Salford staff including staff who were paid under mutual consent initiative (2021; £1,742,000 to 94 including staff who were paid under the mutual consent initiative);
- / £62,000 in respect of the additional future pension cost of taking early retirement for 2 University staff who were members of the Local Government Pension Scheme (2021; £56,000 to 4 staff);
- / £Nil in respect of additional USS costs for University staff who were members of the USS scheme (2021; £6,000 for 1 University staff);
- / (£1,661,000) reduction in the provision for pension enhancements in respect of former staff who were members of the Teacher's Pension Scheme (2021; (£173,000) reduction). The reduction in provision is due to a fall in discount rate used to calculate the provision and further details can be found in Note 21(B) Provision for liabilities;
- / (£23,000) saving on the actual cost of previous year retirements (2021; (£nil));

and £Nil redundancy costs paid to members of staff who was employed by the subsidiary company Salford Professional Development Limited, (2021; £3,000 redundancy costs were paid to 1 member of staff who was employed by the subsidiary company Salford Professional Development Limited).

VICE-CHANCELLORS REMUNERATION

	2021-22	2020-21
	£'000	£'000
Salary of Vice Chancellor (VC)	219	216
Performance related pay bonus	1	-
Benefits in kind	4	3
Total	224	219
Pension Contributions	-	-
Total Emoluments	224	219

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

The University has a total group income of £247.9m and employs over 2,300 people. The Council has outlined "Our strategy" and "Operational Performance" earlier in the Integrated Report. In setting the base salary for the Vice-Chancellor, the Remuneration Committee has taken into consideration the depth, breadth and complexity of the role. The Remuneration Committee has undertaken benchmarking across the Higher Education sector, including comparative information relating to the relevant contribution and income groups.

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

The nationally negotiated pay settlement of 1.5% was awarded to the Vice-Chancellor in 2021-22. There was no offer of a nationally negotiated pay increase for 2020-21 due to the unprecedented challenges facing the HE sector and the pay freeze applied to the Vice-Chancellor.

The Remuneration Committee agreed with the Vice-Chancellor a series of performance objectives for the 2020-21 and 2021-22 academic years, covering the organisational, professional and personal areas of focus necessary to achieve the University's strategic objectives. The Remuneration Committee has delegated authority to make decisions, under the current senior pay framework, on annual non-consolidated pay bonuses between 0% and 5%.

During 2021-22 financial year, The Vice-Chancellor has received a £1,000 non-consolidated, performance related payment. This exceptional bonus payment was agreed in recognition of leadership during the Covid-pandemic by the Remuneration Committee. (Nil Performance bonus in respect of 2020-21).

Further information in relation to the Total Remuneration package of the Vice-Chancellor and other senior postholders is available in the Annual Remuneration Report which can be found at [AnnualRemunerationReport2122.pdf \(salford.ac.uk\)](https://www.salford.ac.uk/AnnualRemunerationReport2122.pdf).

The Vice-Chancellor's basic salary is 6.2 [2020-21; 6.1] times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University and its subsidiaries to its staff.

The Vice-Chancellor's total remuneration is 5.5 [2020-21; 5.4] times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University and its subsidiaries to its staff.

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

Remuneration of higher paid staff (including the Vice-Chancellor)

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

	2021-22	2020-21
	No.	No.
£100,000 to £104,999*	4	2
£105,000 to £109,999	1	-
£110,000 to £114,999	1	4
£115,000 to £119,999	5	1
£120,000 to £124,999	2	-
£125,000 to £129,999	-	1
£130,000 to £134,999	1	1
£135,000 to £139,999	-	1
£140,000 to £144,999	-	-
£145,000 to £149,999	1	-
£150,000 to £154,999	-	-
£155,000 to £159,999	-	-
£160,000 to £164,999	-	-
£165,000 to £169,999	-	-
£170,000 to £174,999	1	1
£215,000 to £219,999	-	1
£220,000 to £225,000	1	-
	17	12

*The 2021-22 number includes 1 member of staff employed by university subsidiary company.

Average staff numbers by major category:	No.	No.
Academic including technicians	1,082	1,084
Administrative, including clerical and manual	1,207	1,234
	2,289	2,318

"The Administrative, including clerical and manual" category includes 86 staff [2020-21; 71] who were employed by Salford Professional Development Ltd (SPD) to provide agency staff largely to the University of Salford.



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

8. Staff costs (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

Year ended 31 July 2022	Year ended 31 July 2021
£	£
1,443,097	1,389,044

In 2020-21 the team consisted of Vice Chancellor, Chief Operating Officer, Pro Vice Chancellor (PVC) Student Experience, PVC for Academic Development, PVC Research and Innovation, Executive Director of Finance [and also acting as Deputy Chief Executive], Executive Director of Human Resources and Interim Director of Student Success, Administration and Support Services. In 2021-22 the team was unchanged except in August 2021 the post of Interim Director of Student Success, Administration and Support Services was changed to Associate Chief Operating Officer.

Council Members

In 2021-22 the Chair of Council was paid £ Nil (2020-21: £Nil) as the Chair of Council has waived his remuneration in respect of this role.

No other council members have received any remuneration/waived payments from the group during the year (2020-21- none). The total expenses paid to or on behalf of council members was £2,626 in respect of 4 members (2020-21 – £Nil). This represents travel, subsistence and course costs incurred in their role as Council member.

8a. Change in USS deficit recovery plan

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Change in USS deficit recovery plan	38,501	38,501	-	-

9. Interest and other finance costs

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Loan interest	2,682	2,682	2,918	2,918
Other	4	5	4	5
Finance lease interest	369	369	357	357
Net charge on pension scheme	1,942	1,942	1,675	1,675
	4,997	4,998	4,954	4,955

10. Other operating expenses

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Scholarships, bursaries and other student expenses	6,530	6,530	7,511	7,511
Catering	2,818	2,807	1,623	1,623
Student Union Grant	1,332	1,332	1,590	1,590
IT Supplies	9,335	9,164	8,240	8,214
Books and periodicals including online access	3,253	3,253	3,049	3,049
Printing, stationery and office expenses	957	954	682	679
Licences/ Insurance/ Subscriptions	2,912	2,883	2,625	2,559
Telephones	220	216	282	273
Equipment and furniture including hire and maintenance	4,925	4,925	5,661	5,660
Financial charges	3,212	3,209	620	647
Consumables	938	937	1,111	1,109
Vehicles and transport costs	460	455	292	291
Professional and other fees	13,793	13,260	13,007	12,519
Agency and contract staff	1,814	1,814	2,305	2,305
Staff travel and subsistence costs	1,229	1,225	395	396
Marketing	1,931	1,816	1,735	1,627
Staff recruitment and welfare	694	661	329	311
Premises, maintenance and repairs	8,011	8,009	5,477	5,469
Rates, rents and utilities	8,383	8,379	6,244	6,244
Security	380	380	324	324
Service concession expenditure – Note 13	7,727	7,727	7,643	7,643
Trading with subsidiary companies	-	2,521	-	2,204
Total	80,854	82,457	70,745	72,247

The University trading with subsidiaries includes £2,357,000 (2020/21 – £2,201,000) of agency costs provided by SPD which are treated as pay in the consolidated costs.

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
External auditors remuneration in respect of statutory audit services	116	97	117	97
External auditors remuneration in respect of non statutory audit services:				
Grant and other audit related services	21	21	6	6
Taxation compliance services	5	5	12	12
Taxation advisory services	-	-	42	42
Operating lease rentals:				
Land and buildings	3,521	3,521	3,404	3,404
Other	455	455	468	466

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

10. Other operating expenses (continued)

10a. Analysis of total expenditure by activity

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	£'000	£'000	£'000	£'000
Academic and related expenditure	121,467	120,195	122,404	121,144
Administration and central services	41,687	41,663	32,201	32,201
Premises	35,561	35,557	32,746	32,746
Residences, catering and conferences (including service concession cost)	11,188	11,077	10,334	10,208
Research grants and contracts	6,787	6,787	6,354	6,354
Other expenses	47,655	47,616	10,127	10,083
	<u>264,345</u>	<u>262,895</u>	<u>214,166</u>	<u>212,736</u>

10b. Access and Participation

	Consolidated	Plan	Consolidated	Plan
	£'000	£'000	£'000	£'000
Access investment	1,889	1,553	1,674	1,504
Financial support	2,476	2,621	4,195	2,657
Disability support	710	593	588	550
Research and evaluation	123	100	101	100
	<u>5,198</u>	<u>4,867</u>	<u>6,558</u>	<u>4,811</u>

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

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

(ii) £2,104,000 (2020-21 £1,827,000) of these costs are already included in the overall staff figures – see Note 8 (Staff costs).

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

a. Understanding whether providers have met the provisions of the Access agreements in force in 2021-22.

b. Transparency, in the interests of students.

c. Providers in receipt of the student premium, disabled student premium funding or both are expected to submit a monitoring return so that the university can demonstrate that the funds have been correctly accounted for and have been used appropriately.

Using student analysis data, the proportion of Home/EU students have been determined that are WP classified, and allocated this percentage (49%) [2020-21: 49%] to specific student-facing teams that undertake access activities, to determine an appropriate level of investment.

All disability spend is allocated to specific project codes, which have

been used to determine the total investment the University has undertaken for its disabled students. These investments have been within Estates and Student Services.

The University of Salford's Access agreement and 2021-22 Access and Participation Plan can be found at www.salford.ac.uk/access-and-participation

The decrease in financial support reflects the fact that in 2020-21 the OfS provided one off Covid financial support funds. The level of disability spend has increased as a higher proportion of students identify as having a disability with the University increasing its staffing and resources to meet this need.

11. Taxation

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income				
Current Tax expense	-	-	-	-

12. Fixed assets

Consolidated and University	Freehold Land and Buildings	Leasehold Land and Buildings	Leased Assets	Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 August 2021	190,677	22,335	4,745	52,976	50,406	321,139
Additions	4,518	-	-	1,056	37,034	42,608
Transfers	13,932	-	-	373	(14,305)	-
Disposals	(128)	-	-	-	-	(128)
At 31 July 2022	<u>208,999</u>	<u>22,335</u>	<u>4,745</u>	<u>54,405</u>	<u>73,135</u>	<u>363,619</u>
Consisting of valuation as at:						
Cost	208,999	22,335	4,745	54,405	73,135	363,619
Depreciation						
At 1 August 2021	72,255	8,593	631	44,594	-	126,073
Charge for the year	9,916	1,018	105	3,098	-	14,137
Disposals	(21)	-	-	-	-	(21)
At 31 July 2022	<u>82,150</u>	<u>9,611</u>	<u>736</u>	<u>47,692</u>	<u>-</u>	<u>140,189</u>
Net book value						
At 31 July 2022	<u>126,849</u>	<u>12,724</u>	<u>4,009</u>	<u>6,713</u>	<u>73,135</u>	<u>223,430</u>
At 31 July 2021	118,422	13,742	4,114	8,382	50,406	195,066

A full valuation of University estate excluding Media City, Centenary and Adelphi Buildings was carried out on 31 July 2014 by DTZ (Independent Consultant surveyors). The Centenary and Adelphi Buildings were excluded from the July 2014 valuation following the decision taken to no longer use these buildings for teaching and research from August 2016 and these have been depreciated down to their market value. No further depreciation has taken place on these buildings during 2021-22 whilst the buildings have not been in use as their market value has not been impacted.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

13. Service concession arrangements

The University has one On-Balance Sheet arrangement where service delivery has commenced. In November 2013 the University entered into an agreement with Salford Village Limited which (at that time) was comprised of Equitix, Graham Construction, Kier Project Investment and student accommodation operator Campus Living Villages Limited (CLV) to build and run a 1,367 student accommodation village on the Peel Park Campus with the accommodation opened to students from Autumn 2015.

The finance for this £85m development was provided by Standard Life Investments [now part of the abrdn group] and CLV will run the accommodation until Summer 2060 at which date the University has the option to purchase the accommodation and head lease for £1. The University has the option to terminate the agreement from

Autumn 2020 subject to payment of compensation to Campus Village Limited. The University is ultimately responsible for the payments of rents under the underlease between Salford Village Limited and ASI (part of abrdn group), as, in the event of default by Salford Village Limited, ASI may demand payment from the University.

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

In December 2020 the University nominated 1,367 rooms in respect of academic year 2021-22 at a cost of £7,727,000. In line with concession accounting a notional current asset (right to use asset) of £7,727,000 and a notional concession liability of £7,727,000 had been created at 31

July 2021. These assets and liabilities have been unwound in "Residencies, catering and conferences Income" and "Other operating expenses" respectively in the Statement of Comprehensive Income and Expenditure in 2021-22.

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

As it is an annual occupancy guarantee, at the 31 July 2022 the University has no future commitments other than those detailed above.

14. Non-current investments

	Subsidiary companies	Investment in spin outs	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2021	-	128	-	128
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July 2022	-	128	-	128
University				
At 1 August 2021	-	5	-	5
Additions	166	-	-	166
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July 2022	166	5	-	171

14. Non-current investments (continued)

Other non-current investments consist of:

	£'000	% Owned
Salsa Sounds Limited	-	37.36%
Optimum Imaging Limited	-	31.73%
Carbon Air Limited	103	20.59%
Incanthera Plc	20	0.95%
Salford Valve Company Limited	-	4.25%
University Loan to Health & Education Co-operative Limited	5	No Shareholding
	<u>128</u>	

Subsequent to the year end the investment percentage owned in respect of Carbon Air Limited fell from 20.59% to 9.04% following further issue of share capital by Carbon Air Limited.

15. Pension Asset

Consolidated & University

Movement in the GMPF scheme
£'000

Liability at 1 August 2021	(104,154)
Contributions paid by the University	4,217
Current Service cost	(11,086)
Past service cost	(62)
Other finance charge	(1,720)
Gains recognised in other comprehensive income	117,961

Asset at 31 July 2022

5,156

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

16. Stock

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Building and Engineering Stores	31	31	106	106

17. Trade and other receivables

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grants receivables	1,990	1,990	1,937	1,937
Other trade receivables	9,967	9,761	9,563	9,361
Other receivables	81	81	76	76
Prepayments and accrued income	10,442	10,426	10,717	10,540
Service concession - Right to use an asset	8,106	8,106	7,727	7,727
Amounts due from subsidiary undertaking	-	-	-	200
	<u>30,586</u>	<u>30,364</u>	<u>30,020</u>	<u>29,841</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

18. Current investments

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term investment in shares & Corporate bonds	586	586	615	615
Certificates of deposit and corporate bonds	94,821	94,821	110,367	110,367
Short term deposits	5,384	5,384	5,349	5,349
	<u>100,791</u>	<u>100,791</u>	<u>116,331</u>	<u>116,331</u>

The short-term investment in shares and corporate bonds are investments in a number of ethical funds administered by our advisors KW Wealth. Short term deposits are held with banks and building societies operating in the London market and regulated by Prudential Regulatory Authority with three months or more maturity at the transaction date. Certificates of deposit and

corporate bonds have a maturity up to 24 months at maturity date. The interest rates for £94,821,000 (2021: £110,367,000) of these deposits are fixed for the duration of the deposit at time of placement. For the remaining £5,384,000 (2021: £5,349,000) interest rates vary.

At 31 July 2022 the weighted average interest rate of these fixed rate

deposits including certificates of deposit and corporate bonds was 1.32% (2021: 0.30%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 200 days (2021 168 days). The fair value of these deposits including certificates of deposit and corporate bonds was not materially different from the book value.

19. Creditors: amounts falling due within one year

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	1,663	1,663	4,050	4,050
Service concession Obligations (note 13)	8,106	8,106	7,728	7,728
Trade payables	3,396	3,355	8,329	8,290
Student deposits in advance	12,669	12,669	8,091	8,091
Social security and other taxation payable	2,663	2,663	2,512	2,512
Other payroll creditors	2,188	2,188	2,147	2,147
Accruals and deferred income	43,223	42,379	37,053	36,223
Deferred capital grant	2,160	2,160	2,491	2,491
Student Union Deposit	387	387	99	99
Amounts due to subsidiary undertakings	-	1,357	-	621
	<u>76,455</u>	<u>76,927</u>	<u>72,500</u>	<u>72,252</u>

The Student deposits in advance have been presented separately at July 2022 with the prior year comparison reanalysed.

Deferred income

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

	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Donations	281	281	665	665
Research grants received on account	427	427	184	184
	<u>708</u>	<u>708</u>	<u>849</u>	<u>849</u>

20. Creditors: amount falling due after more than one year

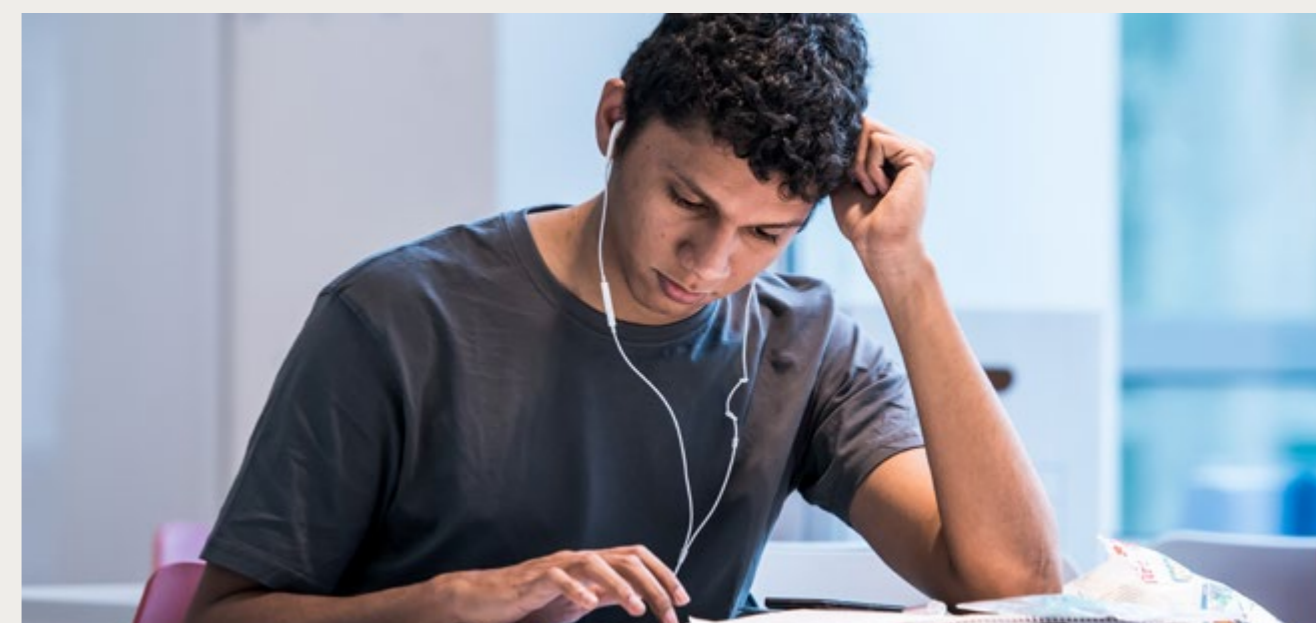
	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred capital grant	25,468	25,468	21,256	21,256
Obligations under finance lease	5,312	5,312	5,234	5,234
Derivatives	3,397	3,397	8,417	8,417
Secured loans banks	21,794	21,794	45,567	45,567
	<u>55,971</u>	<u>55,971</u>	<u>80,474</u>	<u>80,474</u>

Analysis of secured and unsecured loans:

	£'000	£'000	£'000	£'000
Due within one year or on demand (Note 19)	1,663	1,663	4,050	4,050
Due between one and two years	1,663	1,663	4,050	4,050
Due between two and five years	4,990	4,990	12,150	12,150
Due in five years or more	15,141	15,141	29,367	29,367
Due after more than one year	<u>21,794</u>	<u>21,794</u>	<u>45,567</u>	<u>45,567</u>
Total secured loans	<u>23,457</u>	<u>23,457</u>	<u>49,617</u>	<u>49,617</u>
Secured loans	23,457	23,457	49,617	49,617
	<u>23,457</u>	<u>23,457</u>	<u>49,617</u>	<u>49,617</u>

Included in loans are the following:

Lender	Amount	Term	Interest rate %	Borrower
Lloyds	<u>23,457</u>	2036	6.02	University
	<u>23,457</u>			



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

21. Provisions for liabilities

Consolidated & University	(A) Obligation to fund deficit on USS Pension	(B) Pension enhancement on termination	(C) Standardisation of Pension benefits of former University College Salford Staff Benefit Obligations	(D) Deficit in the Scheme- Net pension liability GMPF	Total Pensions Provisions	Other	Total Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2021	25,483	12,303	197	104,154	142,137	1,595	1,595
Reversal of deficit	-	-	-	(104,154)	(104,154)	-	-
Interest on funds	222	197	-	-	419	-	-
Utilised in year	(1,393)	(654)	-	-	(2,047)	-	-
Additions in year	38,500	-	1	-	38,501	211	211
Unutilised amounts reversed in 2021-22	-	(1,661)	(17)	-	(1,678)	-	-
At 31 July 2022	62,812	10,185	181	-	73,178	1,806	1,806

(A) USS deficit

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

Following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in Note 30 (i). This new deficit plan required deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021, 0% from 1 October 2021 to 31 March 2022, payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% from 1 April 2023 to 30 April 2038.

The major assumptions for calculating the obligation are as follows:

	Consolidated and University
USS Discount rate	3.31% (2020-21 0.87%)
Pensionable payroll growth - Salary inflation of USS employees	4 % for 22-23, 4.5% for 23-24, 4% for 24-25 before reverting to 3% (2.5% for 2021-22, before reverting to 3%)
Staff changes of USS employees	4.55% in 2022/23, 4.3% in 2023/24 before reverting to 0% (2.25% in 2021-22 and 2.25% in 2022/23 before reverting to 0 %)

21. Provisions for liabilities (continued)

Sensitivity Analysis

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

Change in assumptions at 31 July 2022	Approximate Impact
0.5% pa decrease in discount rate	£2.6m
0.5% pa increase in salary inflation over duration	£2.6m
0.5% pa increase in salary inflation year 1 only	£0.3m
0.5% increase in staff changes over duration	£2.7m
0.5% increase in staff changes year 1 only	£0.3m
1% increase in deficit contributions from April 2024	£8.9m
1 year increase in term	£3.6m

(B) Pension enhancement

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

Consolidated and University	
Inflation Rate	2.9% (2020-21 2.6%)
Interest Rate	3.3% (2020-21 1.6%)
Net interest Rate	0.4% (2020-21 (1.0%))

The provision is for the enhanced pension benefits payable to retired staff who were members of the

Teacher's pension scheme. The provision for the enhanced pension benefits payable to retired staff has been calculated using a net interest rate of (0.4%) (2020-24 (1.0%)) The interest on funds has been calculated using an interest rate of 3.3% (2020-21 1.6%).

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

(D) Deficit in the scheme- net pension liability Greater Manchester Pension Fund GMPF. During 2021-22 the GMPF moved from a liability position to an asset position. See note 15 and 30 for further details.

22. Financial Instruments

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

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

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

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

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

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

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

(iii) Market or interest rate risk

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

In order to mitigate this risk, the University "hedges" its interest risk using swaps which provide stability against interest rate fluctuations. The total balance below comprises hedging of the Lloyds Bank plc loan facilities through an interest rate swap and the University hedge accounts. The 2021 liability also included a Barclays loan hedge but no Barclays loan hedges are outstanding at 31 July 2022 following the early repayment of Barclays loans during 2021-22.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

22. Financial Instruments (continued)

Consolidated & University	2022	2021	For Investments at variable rates the interest income credited to the surplus or deficit will rise so the University invests cash for a variety of different periods up until 24 months.
	£'000	£'000	
Fair Value liability of derivative at 1 August	8,417	11,153	(iv) Inflation risk (exposure to inflation) The University is exposed to general economic inflation which then results in pay pressures. The University's ability to control this is limited but it manages this through prudent budget setting and inclusion of contingencies on capital projects.
Change in fair value	(5,020)	(2,736)	
Fair value liability of derivative at 31 July	3,397	8,417	(v) Foreign exchange risk The university manages this by keeping the holdings of foreign currency to a minimum with holdings just sufficient to meet known liabilities.

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

Financial Assets	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Measured at undiscounted amount receivable				
<i>Trade and Other receivables</i>	22,480	22,258	22,293	22,114
Measured at amortised cost				
<i>Investments</i>	100,205	100,205	115,716	115,716
<i>Cash and cash equivalents</i>	33,505	33,327	34,332	34,079
<i>Stock</i>	31	31	106	106
<i>Right to use asset under service concession arrangements</i>	8,106	8,106	7,727	7,727
Measured fair value through income & expenditure				
<i>Investment in investment funds</i>	586	586	615	615
Equity investments measured at cost less impairment				
<i>Non-current asset investments in unlisted equity instruments</i>	128	171	128	5
	165,041	164,684	180,917	180,362

22. Financial Instruments (continued)

Financial Liabilities	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Measured at undiscounted amount payable				
<i>Trade and other creditors</i>	64,526	64,998	58,231	57,983
Measured at amortised cost				
<i>Loans and finance leases payable</i>	23,457	23,457	49,617	49,617
<i>Obligations under finance lease</i>	5,312	5,312	5,234	5,234
<i>Obligations under Service concession agreements</i>	8,106	8,106	7,728	7,728
<i>Deferred capital grants</i>	27,628	27,628	23,747	23,747
Measured at fair value through Statement of Comprehensive Income				
<i>Derivative financial liabilities</i>	3,397	3,397	8,417	8,417
	132,426	132,898	152,974	152,726

The derivative balance shown above relates to a "receive floating, pay fixed" interest rate swap measured at fair value through income and expenditure. The floating rate swap is three month's LIBOR, with the fixed rate 6.02% (6.02% and 5.8% in 2020-21). The Group settles the swaps quarterly, with the difference between the fixed and floating interest rates settled on a net basis.

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

Interest income and (expense)	YEAR ENDED 31 JULY 2022		YEAR ENDED 31 JULY 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Total interest income for financial assets at amortised cost	747	747	618	618
Total interest expense for financial liabilities at amortised cost	(3,056)	(3,056)	(3,275)	(3,275)
	(2,309)	(2,309)	(2,657)	(2,657)
On investment assets measured at fair value through income and expenditure	(24)	(24)	105	105
On hedging financial instruments through Statement of Comprehensive Income	5,020	5,020	2,736	2,736
	4,996	4,996	2,841	2,841

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

23. Endowment reserves

Restricted net assets relating to endowments are as follows:

	RESTRICTED PERMANENT ENDOWMENTS	EXPENDABLE ENDOWMENTS	2022 Total £'000	2021 Total £'000
At 1 August 2021				
Capital	3	347	350	350
Accumulated income	16	311	327	229
	19	658	677	579
New endowments	-	-	-	-
Investment income	-	2	2	3
Expenditure	-	(86)	(86)	(10)
	-	(84)	(84)	(7)
(Decrease)/ Increase in market value of investments	(1)	(23)	(24)	105
At 31 July 2022	18	551	569	677
Represented by:				
Capital	3	334	337	350
Accumulated income	15	217	232	327
	18	551	569	677
Analysis by type of purpose:				
Scholarships and bursaries	-	248	248	345
Research support	-	3	3	3
Prize funds	15	-	15	16
General	3	300	303	313
	18	551	569	677
Analysis by asset				
Current asset investments			569	677

24. Restricted reserves

	2022 Total £'000	2021 Total £'000
Reserves with restrictions are as follows:		
At 1 August 2021	628	835
New grants / research grants	(7)	17
New donations	888	199
Income	-	-
Expenditure – Revenue	(255)	(267)
Expenditure - Capital	-	(156)
	626	(207)
At 31 July 2022	1,254	628
Analysis of other restricted funds /donations by type of purpose:		
Prizes	1	1
Scholarships and bursaries	187	270
Research support	14	32
General	1,052	325
	1,254	628

25. Cash and cash equivalents

	At 31 July 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Consolidated			
Cash and cash equivalents	34,332	(827)	33,505



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

26. Consolidated reconciliation of net debt

	£'000	
Net Debt at 1 August 2021	(36,664)	
Movement in cash and cash equivalents	(827)	
Repayment of amounts borrowed	26,160	
Finance Lease movement	(78)	
Other non cash changes	4,107	
Derivative Payment	535	
Net Debt at 31 July 2022	(6,767)	
Change in Net Debt	<u>29,897</u>	
Analysis of Net Debt	At 31 July 2022	At 31 July 2021
	£'000	£'000
Cash and Cash Equivalents	33,505	34,332
Borrowings : amounts falling due within one year		
Secured Loans	(1,663)	(4,050)
Obligations under finance leases	-	-
Service Concession arrangements	(8,106)	(7,728)
	<u>(9,769)</u>	<u>(11,778)</u>
Borrowings: amounts falling due after one year		
Obligations under finance leases	(5,312)	(5,234)
Derivatives	(3,397)	(8,417)
Secured Loans	(21,794)	(45,567)
	<u>(30,503)</u>	<u>(59,218)</u>
Net Debt	<u>(6,767)</u>	<u>(36,664)</u>

26. Consolidated reconciliation of net debt (continued)

The University's treasury policy is to hold relatively low levels of cash but instead hold certificates of deposit and corporate bonds which, if required, can be easily converted to cash – See Note 18. The impact of this on overall funding is as follows:

	£'000	
Net Funds at 1 August 2021	79,667	
Movement in cash and current investments	(16,367)	
Repayment of amounts borrowed	26,160	
Finance Lease movement	(78)	
Derivative payment	535	
Other non cash changes	4,107	
Net Funds at 31 July 2022	94,024	
Change in Net Funds	<u>14,357</u>	
Analysis of Net Funds	At 31 July 2022	At 31 July 2021
	£'000	£'000
Cash and Cash Equivalents	33,505	34,332
Current investments	100,791	116,331
	<u>134,296</u>	<u>150,663</u>
Borrowings: amounts falling due within one year		
Secured Loans	(1,663)	(4,050)
Obligations under finance leases	-	-
Service Concession arrangements	(8,106)	(7,728)
	<u>(9,769)</u>	<u>(11,778)</u>
Borrowings: amounts falling due after one year		
Obligations under finance leases	(5,312)	(5,234)
Derivatives	(3,397)	(8,417)
Secured Loans	(21,794)	(45,567)
	<u>(30,503)</u>	<u>(59,218)</u>
Net Funds	<u>94,024</u>	<u>79,667</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

27. Capital and other commitments

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

	31 JULY 2022		31 JULY 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	8,300	8,300	30,550	30,550

28. Lease obligations

Consolidated

Total rentals payable under operating leases:

	Land and Buildings	Plant and Machinery	31 July 2022	31 July 2021
	£'000	£'000	Total £'000	Total £'000
Payable during the year	3,521	455	3,976	3,872
Future minimum lease payments due:				
Not later than 1 year	3,524	277	3,801	3,696
Later than 1 year and not later than 5 years	13,943	-	13,943	13,763
Later than 5 years	30,685	-	30,685	32,514
Total lease payments due	48,152	277	48,429	49,973

University

Total rentals payable under operating leases:

	Land and Buildings	Plant and Machinery	31 July 2022	31 July 2021
	£'000	£'000	Total £'000	Total £'000
Payable during the year	3,521	455	3,976	3,870
Future minimum lease payments due:				
Not later than 1 year	3,524	277	3,801	3,694
Later than 1 year and not later than 5 years	13,943	-	13,943	13,761
Later than 5 years	30,685	-	30,685	32,514
Total lease payments due	48,152	277	48,429	49,969

29. Subsidiary undertakings

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

Company	Principal Activity	Status
University of Salford Enterprises Limited	Business Development, Consultancy and Investment management	100% owned
Salford Professional Development Limited	Delivery of training and provision of agency services which match students and graduates to jobs in the University and wider community.	100% owned
Skyscope Limited	Dormant at 31 July 2022	100% owned
Salford University Services Limited (formerly called Salford University Purchasing Services Limited)	Dormant at 31 July 2022	100% owned
University of Salford (Health Services Training) Limited	Dormant at 31 July 2022	100% owned
Salford Digital Futures Limited	Limited at 31 July 2022	100% owned

30. Pension schemes

Four schemes are currently in operation:

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

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

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

	YEAR ENDED 31 JULY 2022	YEAR ENDED 31 JULY 2022	YEAR ENDED 31 JULY 2021	YEAR ENDED 31 JULY 2021
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
USS	18,378	18,378	17,905	17,905
GMPF	11,086	11,086	10,030	10,030
TPS	226	226	239	239
USPP	1,074	1,074	722	722
Other	43	-	43	-
	30,807	30,764	28,939	28,896



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

30. Pension schemes (continued)

(i) Universities' Superannuation Scheme (USS)

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

The total cost charged to the Income and Expenditure account is for both Consolidated and University (2021: £17,905,000) including PensionChoice.

Deficit recovery contributions due within one year for both Consolidated and University are £3,905,000 (2021: £3,215,000)

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

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

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

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

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

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

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

The current life expectancies on retirement at age 65 are:

	2022 Valuation	2021 Valuation
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

30. Pension schemes (continued)

(ii) Greater Manchester Pension Fund (GMPF)

The University participates in the GMPF, which is an externally funded defined benefit pension scheme, which is contracted out of the State Second Pension, where contributions payable are held in a trust separately from the University. This was available to all professional service staff who were on grade 6 and below.

The last full actuarial valuation was performed as at 31 March 2019 and results were rollforwarded every year end.

Under the definitions set out in FRS 17, the GMPF meets the definition of a multi-employer defined benefit pension scheme. The actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2022 basis roll forward methodology.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interest of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation.

The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisers.

During the accounting period, the University paid contributions to the pension scheme at a rate of 20.6%.

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

	AT 31 JULY 2022 %pa	AT 31 JULY 2021 %pa
Rate of increase in salaries	3.5%	3.6%
Rate of increase of pensions in payment for members	2.75%	2.85%
Discount rate	3.5%	1.6%

The assumptions have been determined on the basis that the duration of the University's funded obligations is 21 years.

The most significant non-financial assumption is the assumed level of longevity.

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

	Pensioner (male)	Non-pensioner (male) currently aged 45	Pensioner (female)	Non-pensioner (female) currently aged 45
At 31 July 2021	20.5	21.9	23.3	25.3
At 31 July 2022	20.3	21.6	23.2	25.1

Future Pensioners (45 years from the last triennial valuation)

Current pensioners (65 years from last triennial valuation)

Scheme assets and expected rate of return for GMPF

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

The assets in the scheme were:

	AT 31 JULY 2022 £'000	AT 31 JULY 2021 £'000	FAIR VALUE AS AT 31 JULY 2020 £'000
Equities	154,333	147,495	117,780
Government bonds	34,044	31,606	29,885
Property	20,426	14,750	12,305
Cash	18,157	16,857	15,821
Total	226,960	210,708	175,791

The tables below include, where applicable, disclosures for GMPF and ex-gratia pension combined to enable clear presentation. The ex-gratia pensions account for £2,740,000 (2021: £3,323,000) of the total liabilities of £221,803,000 (2021: £314,862,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

30. Pension schemes (continued)

	YEAR ENDED 31/07/2022	YEAR ENDED 31/07/2021
	£'000	£'000
Analysis of the amount shown in the balance sheet for GMPF		
Scheme assets	226,960	210,708
Scheme liabilities	(221,804)	(314,862)
Surplus/(Deficit) in the scheme – net pension asset/(liability) provisions (Note 21)	5,156	(104,154)
Current service cost	11,086	10,030
Past service costs	62	56
Total operating charge	11,148	10,086
Analysis of the amount charged to interest (payable)/credited to other finance income for GMPF and ex-gratia pensions		
Interest cost	(5,085)	(3,943)
Expected return on assets	3,365	2,459
Net charge to other finance income	(1,720)	(1,484)
Analysis of other comprehensive (expenditure)/income for GMPF and ex-gratia pensions:		
Return on assets excluding amounts in net interest	13,423	32,539
Other Experience	(12,191)	3,794
Changes in financial assumptions	115,438	(28,668)
Changes in demographic assumptions	1,291	(1,427)
Total other comprehensive income/(expenditure) before deduction for tax	117,961	6,238

History of experience gains and losses – GMPF

	31 JULY 2022	31 JULY 2021	31 JULY 2020	31 JULY 2019	31 JULY 2018
Difference between actual and expected return on scheme assets:					
Amount (£m)	13,423	32,539	(14,710)	5,209	9,559
% of assets at end of year	5.91	15.4	(8.4)	2.8	5.5
Experience gains/(losses) on scheme liabilities:					
Amount (£m)	(12,191)	3,794	11,057	(101)	11
% of liabilities at end of year	(5.50)	1.20	4.50	0.0	0.0

30. Pension schemes (continued)

	AT 31 JULY 2022	AT 31 JULY 2021
	£'000	£'000
Cumulative actuarial loss recognised as other comprehensive income for GMPF		
Cumulative actuarial (losses) recognised at the start of the year	(37,204)	(43,442)
Cumulative actuarial gains/(losses) recognised at the end of the year	80,757	(37,204)
Analysis of movement in (deficit)/surplus for GMPF		
Deficit at beginning of year	(104,154)	(103,292)
Contributions or benefits paid by the University	4,217	4,470
Current service cost	(11,086)	(10,030)
Past service cost	(62)	(56)
Other finance charge	(1,720)	(1,484)
Gain recognised in other comprehensive income	117,961	6,238
Surplus/(deficit) at end of year	5,156	(104,154)
	YEAR TO 31 JULY 2022	YEAR TO 31 JULY 2021
	£'000	£'000
Analysis of movement in the present value of GMPF		
Present value of GMPF at the start of the year	(314,862)	(279,083)
Current service cost	(11,086)	(10,030)
Past service cost	(62)	(56)
Interest cost on defined benefit obligation	(5,085)	(3,943)
Actual member contributions (including notional contributions)	(1,164)	(1,242)
Actuarial gain/(loss)	104,538	(26,301)
Actual benefit payments	5,917	5,793
Present value of GMPF liabilities at the end of the year	(221,804)	(314,862)

During 2021-22 the difference between current service costs and employer contributions in respect of funded contributions was £7,110,000 (2020-21; £5,811,000).



NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

30. Pension schemes (continued)

	YEAR TO 31 JULY 2022	YEAR TO 31 JULY 2021
	£'000	£'000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	210,708	175,791
Expected return on assets	3,365	2,459
Actuarial gain on assets	13,423	32,539
Actual contributions paid by University in respect of funded benefits	3,976	4,219
Actual contributions paid by University in respect of unfunded benefits	241	251
Actual member contributions (including notional contributions)	1,164	1,242
Actual benefit payments	(5,917)	(5,793)
Fair value of scheme assets at the end of the year	226,960	210,708

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

	YEAR TO 31 JULY 2022	YEAR TO 31 JULY 2021
	£'000	£'000
Actual return on scheme assets		
Expected return on scheme assets	3,365	2,459
Asset gain	13,423	32,539
	16,788	34,998

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

Change in assumptions at 31 July 2022	Approximate % increase to Defined Benefit Obligation	Approximate monetary amount (£'000)
0.1% decrease in Real Discount Rate	2%	4,433
1 year increase in member life expectancy	4%	8,400
0.1% increase in the salary increase Rate	0%	408
0.1% increase in Pension increase Rate (CPI)	2%	4,045

Estimated contributions for GMPF in the Financial Year 2022-23 are £3,992,000 (2021-22 £4,240,000).

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

(iii) University of Salford Pension Plan (USPP)

The University of Salford Pension Plan is a defined contribution scheme that is administered by Aviva and was launched on the 1 April 2019. From 1 August 2019 all staff who were on grade 6 and below are automatically enrolled into USPP. The University of Salford pays fixed amounts to a separate legal entity Aviva and has no legal or constructive obligation to pay further amounts. The amounts charged to the Statement of Comprehensive Income & Expenditure represent the contributions payable to Aviva.

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

30. Pension schemes (continued)

(iv) Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including

the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers paid 16.48% and then an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.08%).

A copy of the latest valuation report can be found by following this link to the Teachers' [Pension Scheme website](#).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

31. Events after the reporting period

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bond yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

32. Hedge Reserve movements

Consolidated and University	£'000
At 1 August 2021	8,417
Change in fair value of hedging financial instruments	(5,020)
At 31 July 2022	3,397

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2022 (CONTINUED)

33. Related party transactions

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

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

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

	INCOME RECOGNISED WITHIN THE FINANCIAL STATEMENTS	EXPENDITURE RECOGNISED WITHIN THE FINANCIAL STATEMENTS	BALANCE DUE TO THE UNIVERSITY RECOGNISED WITHIN THE FINANCIAL STATEMENTS	BALANCE DUE FROM THE UNIVERSITY RECOGNISED WITHIN THE FINANCIAL STATEMENTS
Advance HE	6,606	82,949	3,567	69,431
AECOM Limited	11,590	79,431	-	-
British University of Bahrain	440,642	-	-	-
Greater Manchester Combined Authority	764,905	82,760	323,145	50,000
Greater Manchester Mental Health NHS Foundation Trust	2,457	69,011	-	1,246
Health Education England	1,821,802	-	24,310	-
Manchester University NHS Foundation Trust	91,338	83,301	157	-
Northern Consortium	-	73,780	-	-
PricewaterhouseCoopers	19,000	176,139	100	-
Salford City Council (SCC)	158,661	675,690	41,221	-
Salford Royal NHS Foundation Trust	98,867	191,369	-	-
The Landing	16,500	68,600	-	-
University of Central Lancashire	39,206	380,348	5,143	-
University of Manchester	199,222	642	22,209	-

Advance HE

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

AECOM Limited

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

British University of Bahrain

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

Greater Manchester Combined Authority

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

Greater Manchester Mental Health NHS Foundation Trust

Greater Manchester Mental Health NHS Foundation Trust is one of the largest specialist mental health providers in the country, providing inpatient and community-based mental health care for people living in Bolton, the city of Manchester, Salford, Trafford and Wigan, and a wide range of specialist mental health and addiction services

33. Related party transactions (continued)

across Greater Manchester, the north west of England and beyond. A Dean is a non-executive director.

Health Education England (HEE)

Health Education England is responsible for the planning, commissioning and funding of healthcare professionals. One council member is the independent chair of HEE.

Manchester University NHS Foundation Trust

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

Northern Consortium

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

PricewaterhouseCoopers

PricewaterhouseCoopers is an international professional services brand of firms, operating as partnerships under the PwC brand. It is the second-largest professional services network in the world and is considered one of the Big Four accounting firms, along with Deloitte, EY and KPMG. PwC provide tax and internal audit services. One member of VCET undertook consultancy work for PwC for which the University received payment.

Salford City Council (SCC)

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

Salford Royal NHS Foundation Trust

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

The Landing

The Landing at MediaCity UK is workspace, community, business support, user testing labs, maker lab and events. The Landing is the technology enterprise incubator for

high-growth companies at the heart of MediaCityUK. One member of VCET is a director of the Landing and one council member is an observer on the board.

University of Central Lancashire

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

University of Manchester

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

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

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

	2021-22 £'000	2020-21 £'000
Annual Grant Paid to Students' Union from University	1,282	1,397
Grant to student union for student experience enhancement projects and Covid support	50	193
Payments made to the Students' Union from the University for services provided	93	100
Payments made to the University from Students' Union for services provided	(59)	(29)

At 31 July 2022 Students' Union had £387,000 (2021: £99,000) invested with the University of Salford as detailed in Note 18. At 31 July 2022, the University had a creditor with the Students' Union of £4,684 (2021:£nil) and a debtor with the Students' Union of £270 (2021: £30).

Thanks to you...



University of
Salford
MANCHESTER



Over **£1,500,000** generously donated and pledged in the last year to support a range of causes across campus, from scholarships to community outreach to world-class facilities

83 students and recent graduates were in receipt of a donor-funded scholarship or prize during the 2021/22 academic year

"To the people who are the donors and given me the space to create and to continue my dreams, just thank you, thank you so much."

- Charlotte, Graduate Performance Scholar



42 individuals kindly donated **£6,960** to fund our Student Hardship Fund

14 first-generation students benefited from Plug in to Salford's mentoring and financial awards during their transition to university

£8,975 donated to the Salford Institute for Dementia, enabling them to conduct vital research and community engagement projects



£700,000 of philanthropic funding secured towards world-leading research and cutting-edge facilities on the themes of health, net zero, and community outreach

8 new Campus Initiatives have launched, including:

- / SalFunni: Edinburgh Fringe Project 2022
- / Visualising Counselling and Psychotherapy Skills: A Series of Video Demonstrations
- / Zine Library Makerspace
- / Listening to the Healers

"We can't thank you enough. These funds mean we can do crucial work with students, graduates; it means we can be responsive to the opportunities that come our way, that continue to feed our learning community."

- Niki Woods,
Artistic Director
for New Adelphi
Theatre and
Senior Lecturer
in Performance



6 Revive Hardship Recovery Grant projects have launched, including:

- / Trans (and LGBTQ+) Visibility
- / The SALFORD Future Global Leaders Programme
- / Nature Connection for Mental Health and Wellbeing

70 care-experienced students received financial and personal support through the Believe Fund

