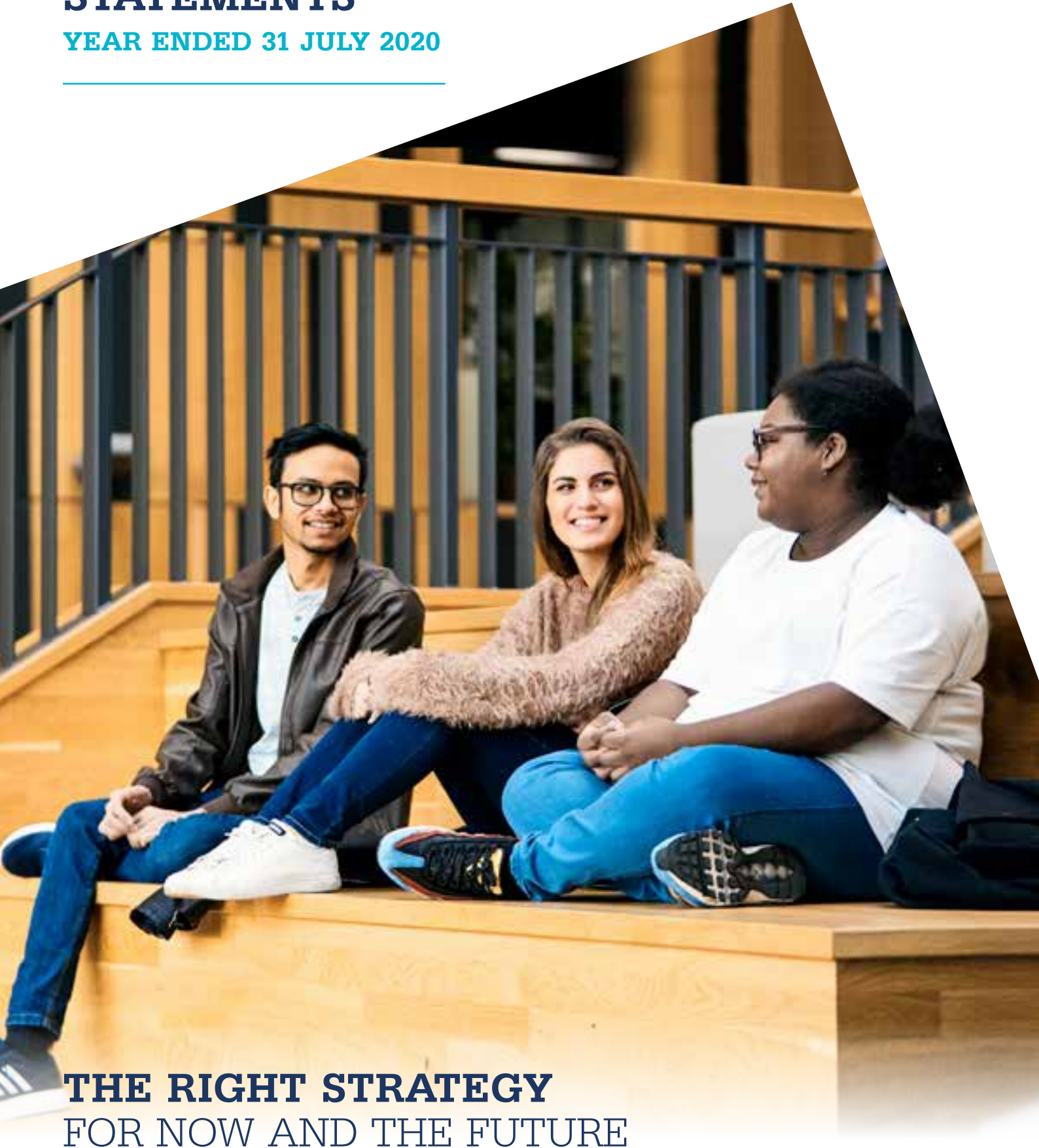


ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020



**THE RIGHT STRATEGY
FOR NOW AND THE FUTURE**

The Board of Governors submits the University's annual report and audited consolidated financial statements for the year ended 31 July 2020.

The financial statements have been prepared to comply with the Statement of Recommended Practice for further and higher education institutions.

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AT A GLANCE

We have continued to move forward in 2019/20, securing prestigious honours, delivering real impact through our research and knowledge exchange, and maintaining our financial sustainability. Our ambitions are supported by a strategy that delivers for now and into the future.

Manchester
Metropolitan
in brief




£368.0m
total reserves



£20.2m
net cash inflow
from operating
activities



£346.9m
Total income



83.2%
of students satisfied with university experience
NSS 2020

34,000 students 

Over 3,000 international students from more than 130 countries



5,100+ staff members

Top 5 in UK 

for volume of **Knowledge Transfer Partnerships**



Highest ever ranking
Complete University Guide 2021

GOLD STATUS

First university to achieve gold status in the Disability Standard

★★★★★★



Triple crown accreditation for Business School

85% of our research impact is rated **world-leading** or **internationally excellent** 

REF 2014



Committed to be zero carbon by 2038



One of the UK's **greenest universities**
Ranked **2nd** in the People and Planet University League 2019

310,000 alumni in over 170 countries 

CHAIR'S STATEMENT



In any year, the progress made by Manchester Metropolitan would have been impressive. In a year hijacked by COVID-19, it was all the more so.

Having executed so well against our strategy, while also meeting the challenges presented by COVID-19, we are able to plan for the future with real confidence.

Although I sign off on this year's Annual Report and Financial Statements, I should emphasise that I did not become Chair until 1 August 2020, and am a relatively recent arrival to the Board of Governors, joining in February 2019. However, I came to the role with a strong personal belief in the contribution education makes to civil society, its role in bringing greater efficiency to the economy, and its ability to address the disparities that currently blight the United Kingdom.

That is why I am so passionate about the work Manchester Metropolitan is doing, and proud to be leading the Board during the next stage of the University's development.

Delivering on our commitments, whilst simultaneously responding to a global pandemic

2019-20 marks the penultimate year of Manchester Metropolitan's existing five-year strategic plan. At the outset, it looked as though the Board's main priority

“ I am so passionate about the work Manchester Metropolitan is doing, and proud to be leading the Board during the next stage of the University’s development. ”

would be to scrutinise progress whilst also looking ahead to the next planning cycle. Then, of course, COVID-19 hit...

As we state elsewhere in this Report, we nonetheless made strong progress on all facets of our strategy. I believe this fed directly through to the prospects of our students, and enabled us to make an even more positive contribution to the regional economy and to the process of innovation.

Meanwhile, the response to COVID-19 was swift and effective. As a Board, we thank the leadership team, the staff and the entire student body for making the very best of a bad situation – both in terms of the functioning of the University, and also the various contributions to the wider community.

Maintaining a strong, diverse Board for the future

I am fortunate to inherit a strong Board which brings together a mix of insights and experience, both from inside and outside the world of higher education. It also benefits from a positive culture and has a record of working in close, constructive partnership with the management team.

In particular, I believe that Manchester Metropolitan owes a huge debt of gratitude to my predecessor as Chair, Vanda Murray, and her deputy Norman Harrison. They led the Board through a pivotal period in the University’s development, including the formulation and execution of the existing strategy and the safeguarding of the robust financial position. They therefore leave Manchester Metropolitan in a much stronger position than they found it. As well as thanking them for their leadership, commitment and counsel, we wish them well for the future.

Going forward, I am determined to protect the strengths of the Board. However, I am also keen to bring more diversity to the table, so the participants and the points-of-view they hold better reflect the composition of the student body as well as the community in which we operate.

I would add that the Board has always been disciplined in evaluating its own performance. This year we completed a self-assessment and, every fourth year, we are subject to a rigorous independent evaluation.

Looking ahead to future priorities

With a new strategic planning cycle ahead of us, my first priority as Chair is to consult extensively with my fellow Governors, the staff, the students, and also further afield.

Clearly, the question of COVID-19 continues to loom large. At the time of writing it was far from clear how the pandemic would evolve or the type of challenges it would leave in its wake. However, we must treat these extraordinary circumstances as an opportunity to re-evaluate the way the University delivers teaching, conducts research, and exchanges knowledge. If ever there was a time to take stock, this is it.

Meanwhile, there are three broad shifts that need to be factored into our planning.

First, we have Brexit which, whatever form it takes, is bound to have a material impact on the way we function, including our research funding and our student admissions.

Second, we have the evolving geopolitical climate and, in particular,

the attitudes to globalisation. This could, again, have an impact on student admissions as well as the shape and nature of our global operations and the extent of our international ambitions. Fortunately, we are not overly reliant on international students from a financial perspective but, for cultural and educational reasons, we believe it is important to become more international in our outlook.

Third, we have the changing attitude to higher education here in the United Kingdom. Searching questions are being raised about the balance between vocational and academic learning, about graduate outcomes and about value for money. Here at Manchester Metropolitan, we need to address these points head-on, while also putting more emphasis on graduate outcomes and employability.

In the meantime, I would once again like to extend my thanks to the staff and students for their hard work. I would also like to thank my fellow Governors for their dedication and their commitment to excellence. 2019-20 was a challenging year yet, remarkably, strong progress was made on all fronts.



Simon Duffy

Pro-Chancellor and Chair of the Board of Governors

VICE-CHANCELLOR'S STATEMENT



While COVID-19 dominated the year, there is much to be proud of in our underlying performance. A number of notable achievements confirm that our strategy is working, and being delivered by colleagues who are committed to excellence.

In February, I was proud to receive the Queen's Anniversary Prize, awarded for our unique national poetry outreach programme Mother Tongue Other Tongue. This is a great example of how we use our expertise to benefit communities beyond Manchester Metropolitan.

Our Business School has now attained awards from the three leading accreditation bodies. The seal of approval from EQUIS was added to those from the AACSB and AMBA to achieve the so-called 'Triple Crown', a marker of global excellence and a testament to the hard work of staff across the School.

In research, we have maintained an increased level of awards, including nearly £9 million for a multi-national project to tackle plastic waste.

“ In research, we have maintained an increased level of awards, including nearly £9 million for a multi-national project to tackle plastic waste. ”

TRANSFORM-CE seeks to turn waste plastic into feedstock for 3D printing, reflecting both our expertise, and our institutional commitment to a more environmentally sustainable future.

Our estates strategy continues to deliver facilities that are better for research, teaching and student support, as well as better for the environment. In November, we began construction work for the School of Digital Arts, which will help to meet the future skills needs of Greater Manchester's economy, while in August, the new Arts and Humanities building was completed. We also received planning permission for our Institute of Sport, and our new Science and Engineering building, which will provide new teaching spaces, cutting-edge laboratories, academic offices, and student facilities that match our ambitions for the faculty.

Our flagship First Generation programme helps young people thinking of going to university to prepare for degree study. Those who go on to choose Manchester Metropolitan can also benefit from a tailored package of scholarships and support. Other initiatives include study skills workshops and our Peer Assisted Learning scheme, where more experienced students support those new to study. Academic and Study Skills tutors also offer bespoke support in every faculty. These all contribute to helping students stay on course to progress and graduate. Raising progression rates is

vital because every student we retain is someone we can support to succeed.

Illustrating that potential for success, our degree apprentices continue to enjoy high levels of achievement: 95% of them graduated with a distinction or merit, including our first cohort of Chartered Managers. We became the highest ranked university in the RateMyApprenticeship awards and the first university to win an Annual Apprenticeship Conference award, for our digital apprenticeships. The true test, of course, is the demand for degree apprenticeships from students and employers. Students are applying enthusiastically, while demand from employers has continued to grow, despite the challenges of COVID-19.

We also received final approval for the Manchester Metropolitan Joint Institute, Hubei University, building on the opening of our office in China at the start of the year. COVID-19 may accelerate existing changes to the way in which international students choose to study; international partnerships such as this will be a key part of our future approach.

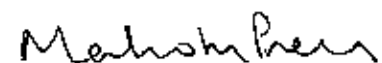
COVID-19 has, of course, had many impacts; I believe it has highlighted the strengths of Manchester Metropolitan. I am immensely proud of how academic and professional services colleagues at all levels have worked together, and with our Students' Union, to develop new approaches, overcome issues and continue to do the best for our students. Not least, all students were able to gain their degree or progress to the next year of study. The rapid move to online teaching and assessment from the end of March showed how we can work at pace to deliver quality outcomes. We were also able to move student wellbeing and support online, delivering services that were even more vital for some people in such challenging circumstances.

Students and staff were also swift to contribute to our communities, whether stepping into frontline roles, or designing, delivering and donating equipment to support the COVID response. Meanwhile, the Institute of Place Management is leading the government's High Streets Task Force, directly supporting economic recovery. Another response was that of our Writing School, whose WRITE where we are NOW project brought together poets across the world to respond to COVID-19, an example of our international networks in action.

I am extremely pleased that we could decide that none of our staff would be furloughed, providing economic assurance for them and their families at an otherwise uncertain time. Indeed, we were able to continue to recruit where needed; around 100 high-quality colleagues joined during COVID lockdown, with induction processes evolving to support them.

We have been able to navigate the challenges of COVID-19 effectively in no small part because of our robust finances. Low borrowing and continuing positive cash flow mean we are well-placed now and for the future. This allows us to continue investing in people who can deliver better teaching, research and engagement. We will also invest in the buildings and systems that enable them to do that, and which are part of improving our students' experience and outcomes.

We are improving our key metrics, financial sustainability, our reputation as partner of choice, and consistently winning awards and recognition for our achievements. As we plan for the next decade, we can look back with pride and forward with confidence.



Professor Malcolm Press
Vice-Chancellor

REVIEW OF THE YEAR

A snapshot of success stories from around Manchester Metropolitan





THE QUEEN'S
ANNIVERSARY PRIZES
FOR HIGHER AND FURTHER EDUCATION
2019

Receiving the highest national honour

In November 2019, we received the Queen's Anniversary Prize, the highest national honour awarded in UK further and higher education. It is reserved for UK colleges and universities that show quality and innovation and deliver real benefit to the wider world through education and training. The Prize recognises Mother Tongue Other Tongue, an annual poetry contest run by the Manchester Writing School, the Faculty of Arts and Humanities and the languages consortium Routes Into Languages, which has engaged more than 30,000 pupils across the country since 2012.



Joining an elite global grouping

In December 2019, our Business School was awarded the prestigious EQUIS accreditation, a renowned international benchmark of excellence. Having already gained the AACSB (Association to Advance Collegiate Schools of Business) and AMBA (Association of MBAs) awards, the Business School now holds a prestigious trio of accreditations placing it among the very best worldwide.

Ranking in the global top ten

In March 2020, the Manchester School of Architecture featured in the top 10 of the QS World Subject Rankings for the fifth consecutive year. An innovative collaboration between Manchester Metropolitan and The University of Manchester, the school climbed one place, to reach 8th in the world and 2nd in the UK. Subsequently, in June 2020, the school secured the appointment of the celebrated architectural educationalist and practitioner Professor Kevin Singh as its new head.



Achieving our best ever ranking in the Complete University Guide

In June 2020, after a decade of climbing this respected league table, we achieved our highest ever position in the Complete University Guide. We rose two places over the previous year to reach 54th in the UK – 39 places up on where we were a decade previously.

Establishing a physical presence in China

In September 2019, we officially opened our first Chinese office in Manchester's twin-city of Wuhan, helping us promote study opportunities in Manchester. We also received approval from the Chinese Ministry of Education to progress with our plans for a joint institute with Hubei University – making us one of just 19 UK universities able to operate in China, and the only one to have a presence in Hubei Province. The institute will deliver joint Manchester Metropolitan University and Hubei University degree programmes for Chinese students.

Landing a transformational research award

In March 2020, we landed one of our most exciting research awards for the TRANSFORM-CE project. We are the lead institution on the project, which aims to turn single-use plastic waste back into 3D-printable raw plastic material, known as feedstock. Backed by the European Regional Development Fund (ERDF), the £8.7m project sees us draw on our knowhow in Industry 4.0, next-generation materials, 3D printing, and sustainability.

Building on our leadership in degree apprenticeships

In March 2020, our innovative and highly-regarded degree apprenticeship programmes received yet another accolade. We were named Digital Apprenticeship Provider of the Year at the AAC Apprenticeship Awards 2020, becoming the first-ever university to be recognised at this prestigious award programme.

Partnering with the Rugby League World Cup 2021

In August 2019, we were named Official University Partner of the Rugby League World Cup 2021. This enables us to work together to deliver impactful research, to integrate our world-class facilities with the tournament, and positively engage with a range of audiences, including the student community.

Getting the go-ahead for a new state-of-the-art Science and Engineering building

In March 2020, we received planning permission for a world-class Science and Engineering building. The new seven-storey, low-energy building will reflect the future aspirations of our Faculty of Science and Engineering – providing new teaching spaces, cutting-edge laboratories including a 200-seat super lab, academic offices, and social and self-directed learning areas.

Racing ahead with our Institute of Sport

In February 2020, planning permission was granted for a key element of our Institute of Sport, a new centre of excellence for sport-related research, education and knowledge exchange. This will enable us to combine the strengths of the Department of Sport and Exercise Sciences with complementary sport-related expertise from the Faculty of Science and Engineering, the Faculty of Business and Law, and the Faculty of Health, Psychology and Social Care.

Investing in mental health support for students

In November 2019, we announced the details of a new £1.6m mental health pilot scheme involving the NHS and universities from across Greater Manchester. The aim is to help students to achieve their ambitions and receive the help they need to overcome significant mental illness.

Responding quickly and effectively to the challenges and opportunities of COVID-19

Of course, 2019/20 was no normal year, as the second two terms were overshadowed by the COVID-19 pandemic. Thanks to the progress made against our strategy, we were able to respond quickly, moving students and staff offsite, while maintaining the integrity of our services.

We were also able to support our community, contribute our expertise and, in some cases, augment our teaching. Examples include:

- **Putting students first** – within three weeks of the lockdown, we switched to digital teaching for some 2,000 units and redesigned more than 300 exams and assessments. Meanwhile, wellbeing appointments were up to 1,000 in March alone, the team participated in 2,400 one-to-one conversations and, in a single week, our Student Hub service handled 1,200 calls.
- **Leading a new national Task Force for the COVID-19 recovery** – in June 2020, the government announced the launch of the High Streets Task Force. Supporting the transformation of towns and cities in England, this is part of a Manchester Metropolitan-led project which aims to help high streets get back on their feet in the wake of the COVID-19 pandemic.
- **Responding to the need for PPE** – to help out our health services, our Department of Natural Sciences donated significant stocks of personal protective equipment (PPE) to NHS hospital staff, while our PrintCity teams geared up to 3D print thousands of parts for face-shields, and the Manchester Fashion Institute developed a design template to enable the mass manufacture of medical scrubs and gowns.
- **Volunteering for the frontline** – more than 100 of our student nurses volunteered to join hospitals on paid work placements as the NHS dealt with a surge in COVID-19 patients.
- **Instigating an international poetry initiative** – WRITE where we are NOW, a new international poetry project responding to the COVID-19 pandemic was instigated by leading poet Carol Ann Duffy, Creative Director of the Manchester Writing School.

Winning at the Times Higher Education Awards

In November 2019, the Greater Manchester Youth Justice University Partnership (GMYJUP) won the Knowledge Exchange/Transfer Initiative of the Year prize at the Times Higher Education Awards. The programme was an innovative collaboration between our Manchester Centre for Youth Studies, the Youth Justice Board and the ten Greater Manchester Youth Justice Services.

Steaming ahead with SODA

In November 2019, construction commenced on our School of Digital Arts (SODA), a £35m investment into the future of digital storytelling, in partnership with the Greater Manchester Combined Authority.

Improving the student journey

We continued to deliver our sector-leading Student Journey Transformation Project, which aims to bring together our administrative processes and systems in a more standard and user-friendly manner. This will further improve both the service we offer to students and the way staff work day-to-day.



OUR STRATEGIC PLAN

The right strategy,
now and for the future

We are now four years into our five-year strategic plan.

Thanks to the progress made against this plan, the University is in a good position. We are financially robust, are able to attract good quality students and staff, and have a strong reputation – both here in the northwest of England and further afield.

With such strong fundamentals, we were also able to navigate the COVID-19 pandemic.



Our mission

We are a great modern university, in a great global city, here to make an impact on Manchester, our nation and beyond, with a driving ambition to discover and disseminate knowledge, and make higher education accessible and beneficial to all those with the passion and ability to succeed.

Our approach



Place

A university with all the drive and spirit of a great global city.



Ambition

Setting the bar higher to make more of an impact.



Community

Making a contribution not just to one community, but to many.



Partnership

Reaching out to push the boundaries of the possible.



Sustainability

Working hard now and in the future to help craft a better world.

Our four strategic axes

Education

Students are at the heart of our University. Every contact counts. We all make a difference. Through our Education Strategy we have a forward-looking, dynamic approach to teaching, learning and the whole student experience (including facilities, course delivery, content, support and environment).

Research & Knowledge Exchange

Our drive for excellence and impact powers and underpins everything we do. We focus on attracting talented researchers, giving them outstanding support and the environment to succeed. With impact nationally and internationally, our discoveries and innovations are shaping business and society for the 21st century.

Internationalisation

We have a global ambition, and focus on building purposeful collaborations that benefit students, research and the city region. Staff and students from across the world find a warm welcome and a vibrant intellectual environment at our University. They enrich our community, widen our horizons, and give flight to our ambitions.

Institutional Sustainability

We become ever-more resilient. By working to achieve the right balance of students and apprentices, support income diversification, invest in our campus, build our digital infrastructure, enhance employee engagement, and focus on environmental sustainability, we can protect our longer-term institutional sustainability.

Education

Entry Quality

The percentage of full-time undergraduate students with more than 112 tariff points for best three level 3 qualifications

2016 Baseline 48%

2021 Target 50%

2019/20 Performance 50%

Education

Teaching Quality

The percentage of respondents who agree for National Student Survey Question 27 'Overall I am satisfied with the quality of the course'

2016 Baseline 85%

2021 Target 90%

2019/20 Performance 83%

Education

Progression

The percentage of full-time undergraduate students who enrol at Level 4 who re-enrol at Level 5 the following academic year

2016 Baseline 82%

2021 Target 90%

2019/20 Performance 85%

Education

Graduate Outcomes

The percentage of graduates in professional/graduate level jobs and/or further study 15 months after completion of their course

2016 Baseline –%

2021 Target –%

2019/20 Performance 71%

Making strong progress against most of our performance targets

To monitor the University's performance, we have a set of institutional key performance indicators (KPIs). Starting out from our baseline year in 2016, the Board of Governors agreed clear targets through to 2021 against each of our strategic priorities.

In 2019/20, we continued to make good progress and, in some areas, have already exceeded the 2021 targets. Our research performance and reputation, for example, is developing strongly. Our education targets are also moving positively, although progress is taking longer than we would have liked. Meanwhile, we continue to grow our international student numbers and diversify our income.

We can say with some confidence that this progress helped the University to withstand the impact of COVID-19. By accelerating our digital education initiatives, we pivoted quickly to an online model whilst maintaining the integrity of our teaching and assessments, and supporting our students and staff. And, despite the disruption to our recruitment campaigns, international applications for 2020/21 continued to increase.

Research and Knowledge Exchange

Research Quality

Citations: Field-weighted citation (i.e. citation rate normalised on the basis of subject/discipline citation rates)

2016 Baseline 1.34

2021 Target 1.60

2019/20 Performance 1.35

Internationalisation

International demand

Number of new full-time international students taught on campus.

2016 Baseline 584

2021 Target 1,575

2019/20 Performance 945

Institutional Sustainability

Financial Sustainability

Average net cash flow from operating activities (as a percentage of income)

2016 Baseline 12.7%

2021 Target 10%

2019/20 Performance 11.2%

Research and Knowledge Exchange

External Awards

Value of award and contracts (excluding continuous professional development)

2016 Baseline £11m

2021 Target £24m

2019/20 Performance £22m

Institutional Sustainability

Income Diversity

Proportion of our income that is not full-time undergraduate (Home/EU)

2016 Baseline 34%

2021 Target 44%

2019/20 Performance 40%

Institutional Sustainability

Environmental Sustainability

kWHrs per FTE (staff and student)

2016 Baseline 1850

2021 Target 1650

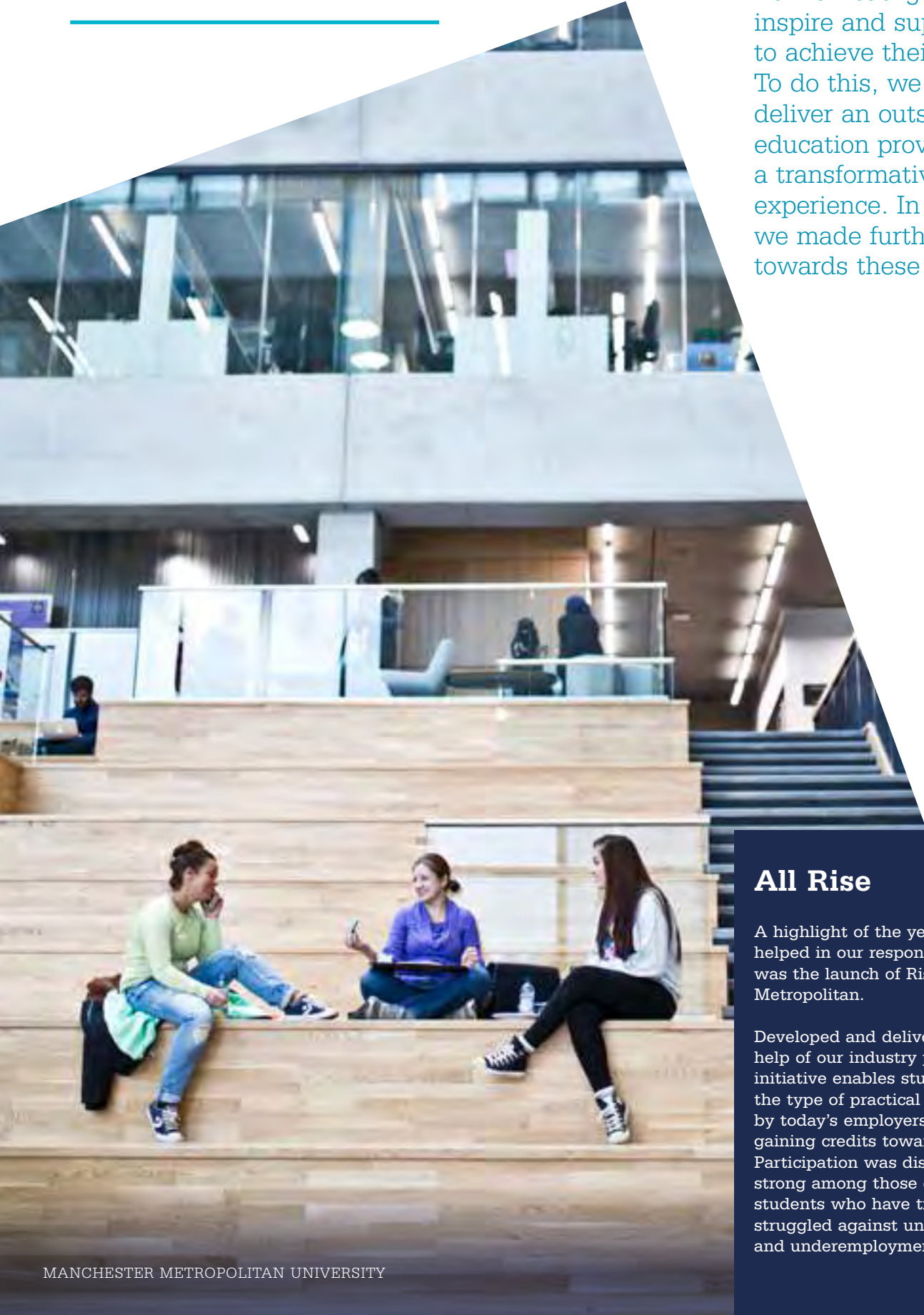
2019/20 Performance 1233

Data from the new Graduate Outcomes Survey was released in 2020 and is published opposite. The introduction of the new Graduate Outcomes Survey has meant that original baseline and target data (from the previous DLHE Survey) is no longer appropriate and therefore not provided here.

EDUCATION

Focussing on
students

Through our Education Strategy, we aim to recruit ambitious students from all backgrounds and inspire and support them to achieve their potential. To do this, we need to deliver an outstanding education provision and a transformative student experience. In 2019/20, we made further progress towards these goals.



All Rise

A highlight of the year, which also helped in our response to COVID-19, was the launch of Rise at Manchester Metropolitan.

Developed and delivered with the help of our industry partners, this initiative enables students to learn the type of practical skills sought by today's employers, while also gaining credits towards their degree. Participation was disproportionately strong among those disadvantaged students who have traditionally struggled against underachievement and underemployment.

Performance against our four key education metrics was generally positive. Entry quality continued to improve, indicating that we are an ever-more attractive choice for new students. Progression from the first to the second year among full-time undergraduates also continued to increase. And, in the National Student Survey, we remain ahead of the sector see note below. The new-style graduate outcomes data published in June 2020 does not allow comparison with previous benchmarking.

Progressing towards an ever-more flexible, student-centred approach

A lead characteristic of the University is our emphasis on flexibility. We aim to give students a real choice about the type of units that make up their course and the way they work through them.

A significant development for 2019/20 was the introduction of Rise at Manchester Met. Created with the help of our industry partners, this programme, which seeks to enhance graduate outcomes, gives students the opportunity to learn practical skills, from podcasting to coding, and gain credits towards their final qualification. Its launch followed the success of an oversubscribed pilot in 2018/19 that attracted a significant number of disadvantaged students and was shortlisted for a Guardian University Award.

Attracting students from all backgrounds

While entry quality is a key University metric (and, in 2019/20, 49% of new students achieved more than 112 tariff points), it does not stand in the way of widening participation.

Indeed, we are recognised as a leader for the inclusivity of students currently under-represented in higher education. According to Higher Education Statistics Agency (HESA) data, in 2018/19 14.4% of our young full-time undergraduate students came from low participation neighbourhoods (against a benchmark of 12.8%), and 97.0% came from state schools (against a benchmark 93.7%). In addition, our 'First Generation' programme continued to expand the opportunities for university study to

young people from Greater Manchester. In 2019, a further 95 students enrolled at the University via this initiative.

Supporting students from all backgrounds

As well as attracting students from a wide range of backgrounds, we want them to engage fully with their studies and progress through their courses. In this regard, we continue to perform well and are focussed on narrowing any progression gaps (such as among students from low participation neighbourhoods, those who come to us with vocational qualifications, and those with a mental health condition).

Initiatives from 2019/20 include a new Peer Assisted Learning Scheme launched in the Education and the Health, Psychology and Social Care faculties. To complement our existing student support programmes, more than 150 Level 5 and 6 students were recruited to deliver timetabled guidance and support to those at Level 4. Participation was strong, especially among under-represented students, and the scheme is being extended to other faculties in 2020/21.

We also developed a new Student Engagement Dashboard. This provides an early-warning to personal tutors by picking-up on several leading indicators for engagement, such as attendance, failure to submit coursework, failing an element of assessment, and use of the Moodle online learning environment.

Increasing our focus on employability

Employability remains a priority. To support our focus on this, we have restructured our Careers Service, created a new Early Career Graduate Team, and established Mock Assessment Centres.

Drawing on a successful initiative from the Faculty of Science and Engineering, we are also introducing individual 'five-year plans' for all students. Extending from pre-entry to post-graduation, these enable students and their personal tutors to reflect on their support requirements and work towards long-term career goals.

The new ways of collecting and analysing graduate outcome data

don't currently allow us to draw many meaningful conclusions. For now, our own analysis suggests that 88.5% of our full-time first-degree graduates are in some form of full-time work or study.

Reflecting on our National Student Survey results

After a very strong performance in the National Student Survey in 2018/19, we were disappointed to see our overall satisfaction score fall back slightly to 83.2%. However, this did mirror an equivalent fall in satisfaction across the wider sector, with the overall average falling by 1%.

Our ultimate target of 90% remains challenging yet achievable, we believe, and we are already performing at this level for many of our courses. However, we will be unlikely to reach it by 2020/21.

Adapting to and learning from the COVID-19 crisis

The University's emphasis on flexibility and the progress made on our Education Strategy enabled us to respond swiftly to the COVID-19 pandemic. For example, alongside the shift to remote teaching, we developed alternative assessments that protect the academic rigour and integrity of our results. Imaginative approaches included online degree shows, which were viewed around the world.

Also, in preparation for 2020/21, we took the early decision to restructure our teaching. The main change entails reducing the size of student cohorts and moving from the concurrent delivery of units, to sequential delivery. This simplifies timetabling, reduces the amount of physical contact between students and staff, enables us to manage the movement of students on campus, and allows us to track and, if necessary, isolate students more easily. Despite the challenges surrounding COVID-19, there will also be some dividends for the future, including the acceleration of the migration to Microsoft Teams and the progress towards our Student-Centred Curriculum.

RESEARCH

Delivering high-quality research with real-world impact

Through our Research and Knowledge Exchange Strategy, we want Manchester Metropolitan to be internationally admired for the quality and impact of our research. To this end, we aim to grow and support our research talent, secure grants, and work in partnership with businesses, communities and policy-makers. In 2019/20, we continued to make significant progress.



A research-led transformation

Single-use plastic will get a sustainable lease of life as part of a new project led by Manchester Metropolitan.

The aim is to turn single-use plastic waste back into 3D-printable raw plastic material, known as feedstock. The £8.7m project sees us draw on our knowhow in Industry 4.0, next-generation materials, 3D printing and insight in building a sustainable economy.

Supported by the Interreg North West Europe Programme as part of the European Regional Development Fund (ERDF), the project, named TRANSFORM-CE, not only aims to divert thousands of tonnes of waste from landfill across North West Europe, but also to create new economic demand for the uptake of recycled plastic materials by businesses, both locally and further afield.

Our work to support our Research and Knowledge Exchange (RKE) Strategy has been transformational. The University is now home to a large and growing number of influential researchers who secure prestigious grants and publish highly regarded work. And, in 2019/20 we were able to do more to lift the reputation of Manchester Metropolitan's research capability, secure more high-quality awards, and increase the quantity and quality of our published work.

Securing strong growth in the value of our research awards

This was another outstanding year for new applications for, and awards of, external funding.

We submitted applications for £86m worth of funding, which is consistent with 2018/19 irrespective of the disruption caused by COVID-19. Our total award value for the year was £21.74 million. This is down a little on 2018/19, but nonetheless a jump of 98% on our baseline year of 2016, demonstrating the success of our RKE Strategy.

Recognising the volume and quality of our research outputs

During the year, our researchers published more than 1,097 research outputs – a 62% increase on 2016. We produced our highest ever number of peer reviewed journal articles, 16% of our outputs were among the top-10% of the most cited in the world, and 24% were in the top-10% of the journals in their field.

In terms of research capacity, around 40% of our academic staff have significant responsibility for research and produce high-quality research; this proportion continues to rise.

International co-authorship is also at an all-time high. More than half (52%) of our outputs were published with international partners – reflecting the synergies between our RKE and Internationalisation Strategies.

Meanwhile, we retained the European Union's HR Excellence in Research award for the sixth successive year and signed-up to the Declaration on Research Assessment.

Quality of our research awards

A particular highlight was our success in gaining high-quality grants from domestic and international funders, a clear indication of the profile and excellence of our work. Leading examples include:

- Professor of Chemistry, Craig Banks, academic lead for PrintCity in the Faculty of Science and Engineering, is leading the TRANSFORM-CE circular economy project. This generated an £8.7m award from Interreg Europe, £1.7m of which remains with the University, with the rest being distributed among 16 European partners.
- Professor Julia Rouse of our Decent Work and Productivity Research Centre secured £809,000 from the Economic and Social Research Council to fund the Good Employment Learning Lab project.
- Professor Joy Duxbury of our Health, Psychology and Communities Research Centre received £293,000 from the National Institute of Health Research, to fund a project on the use of restrictive practices on people with learning disabilities in hospital settings.

In addition, several of our colleagues secured prestigious research fellowships of the type normally associated with a well-established, research-intensive university – such as the Leverhulme Trust and the European Commission Marie Skłodowska-Curie Actions.

Engaging with businesses and the community

A central theme of our RKE programmes is their real-world impact, and this sees us engage extensively with businesses and the community.

For example, we work closely with the Greater Manchester Combined Authority (GMCA) on the delivery of the Greater Manchester Local Industrial Strategy and take part in several research-led consortia and initiatives. Notably, we are leading the Creative City+ bid to UK Research and Innovation's Strength in Places Fund. The project involves the University of Manchester, the University of Salford, the Royal Northern

College of Music and several industry partners. This was one of just 17 projects nationally to pass the first stage of the application process. If successful in the second phase, it could generate a grant of more than £20m.

Similarly, we are leading an £8.6m contract to run the UK government's High Street Task Force. Originally launched in 2018/19, this project was re-focussed in the wake of COVID-19 to help high streets recover from the impact of the pandemic.

Continuing to lead with Knowledge Transfer Partnerships

Another way we help businesses to pursue new opportunities is through our portfolio of Knowledge Transfer Partnerships (KTPs). Awarded by Innovate UK, these bring together researchers, graduates and businesses to work on innovation challenges with proven economic potential.

In 2019/20, we continued to be ranked in the top five UK universities for the size of our KTP portfolio. We achieved this by continuing to pursue new projects through, for example, the new management KTPs (we received two of the seven projects awarded to UK business schools) and the new Africa Agri-Food KTPs (we submitted the UK's first bid in partnership with the University of Johannesburg and GeoSpace Technologies).

Preparing of the next round of the Research Excellence Framework

Any UK university's research prowess is generally judged by its performance in the Research Excellence Framework (REF). The last REF in 2014, which predates our RKE Strategy, placed us at 53rd out of more than 200 universities for the power of our research and rated 85% of our reported research impact as world-leading and internationally excellent. In 2019/20, we continued to prepare our submissions for REF2021 and are confident of achieving a marked improvement in our position. This could, of course, bring a significant boost to our research income and our reputation, both within the UK and internationally.

INTERNATIONALISATION

Building our international reach and reputation

Through our Internationalisation Strategy, we aim to enhance the experience of all our students, support our educational and research ambitions, and increase and diversify our revenues. In 2019/20, we were able to celebrate several significant achievements.

Stronger ties in China

As well as opening our first office in Wuhan, Manchester's twin city, we received approval from China's Department of Education to set up a joint institution with Hubei University, where we expect to enrol our first students from 2021.

This year, we marked a large step forward in the number of new full-time international students taught on campus. At 963, this represents a 41% increase on 2018/19 and is almost two-thirds above our 2016 baseline. Meanwhile, despite the challenges of COVID-19, we strengthened our ties with China, extended our global presence, grew our international partnerships, added several new alumni chapters, and enabled many more of our UK students to benefit from an international experience.

Welcoming many more international students to Manchester

As well as supplementing our income, hosting more international students on campus adds significantly to the vibrancy of the overall student experience.

To add to the strength of our 2019/20 performance, the prospects for 2020/21 are encouraging, with a further 20% increase in international applications, a 29% increase in offers, and a 9% increase in firm offers. However, we suspect these numbers were dampened by the impact of COVID-19 on our profile-raising plans, and the final figure is likely to fall a little below the stretching target we had initially set for 2021.

International students currently make up 6% of our overall population, compared to a sector average of 19%. This leaves considerable scope for further growth, especially given our rising stature and reputation.

Extending and deepening our ties with China

One of the real highlights of 2019/20 was our progress in China, which is focussed on Manchester's twin-city of Wuhan and the wider Hubei Province, with its population of 60 million.

September 2019 marked the official opening of our new Wuhan office, which helps us to build our profile and reputation in the country, strengthen relationships with agents, and promote study opportunities in Manchester – recently named as one of the world's top 30 student cities.

We also received approval from the Chinese Ministry of Education to establish a joint institute with Hubei University. We already benefit from a strong partnership with this world-class university, especially between our Advanced Materials Research Centre and Hubei's Engineering department. The culmination of more than three years' work, this approval means we are one of just 19 UK universities able to operate in China – and the only one to have any type of presence in Hubei Province.

Growing our global presence and our partnerships

Although China has been the focus of our operations, we are active globally.

For example, we expanded our presence in India, doubling the number of people who represent Manchester Metropolitan. This helped us to generate an increase of more than 150% in Indian applications. However, our plans to extend our presence in both Malaysia and Nigeria had to be paused due to COVID-19. Similarly, we were unable to attend, in person, the type of events that have traditionally been so important for international student recruitment.

Meanwhile, we established international partnership agreements with an additional 25 overseas universities and institutions. This means that many more people will be able to study for Manchester Metropolitan courses and qualifications in their home countries. In 2019/20, more than 2,000 students were enrolled in these trans-national education programmes, and we expect this number to grow significantly in the future, perhaps more so in the wake of COVID-19.

Enabling more of our UK students to benefit from an international experience

An important aspect of our internationalisation agenda is to give UK students the opportunity to benefit from international experience, for example, in the form of work placements, study visits, and exchange programmes.

The latest available mobility data dates back to 2018/19, when 1,460 UK students

took advantage of such opportunities, representing a 76% increase on the previous year. The 2019/20 figures will inevitably be impacted by COVID-19. And, indeed, 150 exchange students were repatriated in March 2020.

Forging stronger and more productive relationships with our international alumni

It is important for us to have an active network of international alumni, who can raise the profile of Manchester Metropolitan and help us to recruit students and staff in their respective countries.

Of the more than 300,000 alumni we have around the world, more than 160,000 are classed as active, and, in 2019/20, nine new alumni chapters were formed, bringing the total to 15 (which means they are now active in Canada, China, Hong Kong SAR, India, Malaysia, Nigeria, Pakistan, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand, UAE, USA, and USA NY/NJ). Within these chapters, the Alumni Ambassadors are a particularly helpful cohort. The ranks of these ambassadors swelled by 90% to reach 190, almost half of whom submitted personal case studies to support our recruitment.

A growing global network

Neha Chhabra is part of a growing global community of more than 300,000 Manchester Metropolitan alumni.

Graduating with an MSc Musculoskeletal Physiotherapy in 2014, she's now Director of Physiotherapy at HealYos, an Indian company offering physiotherapy at home and in clinics. Neha is one of 190 people who became Alumni Ambassadors in 2020.

Looking back on her time with us, she says: "The diversity of the student body was excellent, and I truly felt like a citizen of the world."

INSTITUTIONAL SUSTAINABILITY

Safeguarding our future

Institutional Sustainability is an important strand of our strategy.

As well as maintaining robust finances and diversified revenue streams, a programme of investments and initiatives is underway to ensure that we:

- **Recruit and nurture engaged and motivated employees**
- **Own and manage an attractive, world-class campus**
- **Benefit from the best digital technologies**
- **Operate to the highest environmental standards**

The following pages summarise our related priorities and achievements.







INVESTING IN OUR PEOPLE

We aim to recruit, develop and motivate great people to achieve great things. In 2019/20, we made significant progress in strengthening our leadership capabilities, making strategic appointments, developing our own talent, and supporting our people.

Overall, our workforce grew by almost 6% in 2019/20, to more than 5,100 people. Among these were several significant senior-level appointments and a new cadre of early career researchers who will be key in helping us to achieve our ambitions. With almost a third (31%) of new appointments being non-UK nationals, the recruitment activity reflected our Internationalisation agenda. We also progressed several new staff development initiatives, while extending our credentials as a responsible employer.

Making several strategically significant appointments

We made some significant leadership appointments during 2019/20, which reflect our strategic priorities, indicate the extent of our future ambitions, and demonstrate our ability to attract candidates of the highest calibre. In total, we made 27 senior leadership appointments, comprising 16 professors and 11 senior managers. Among these were:

- **Professor Stephen Decent, Provost and Deputy Vice-Chancellor**
Steve joined us from the University of Lancaster where he was Pro-Vice-

Chancellor (Academic Development) and previously Pro-Vice-Chancellor (Research and Enterprise). As well as playing a key role on strategy and delivery, he leads the academic teams, and works collaboratively with the Thematic Pro-Vice-Chancellors (Research, Education, and International).

- **Professor Kevin Singh, Head of Manchester School of Architecture**

Bringing a combination of both academic leadership and professional practice, Kevin was previously Head of the Birmingham School of Architecture and Design and is also a founding director of the space* studio, where his key works include the new interior of the English National Ballet.

- **Professor Andrew Francis, Head of Manchester Law School**

Andrew's previous roles include Professor of Law at the University of Leeds, and Professor and Head of the School of Law at Keele University. He has a mandate to strengthen the employability of our students, support research collaborations, and energise our alumni communities, both at home and internationally.

- **Rachel Hunter, Director of Communications**

Rachel comes to us with a track record in industry. Prior to joining, she spent ten years with AstraZeneca, where she was Communications Director for Europe and for Asia Pacific Operations. Her central brief is to raise the public profile and perception of the University with stakeholders key to its long-term success.

- **Dr Stephen Boyd, Director of Careers and Employment Services**

2019/20 marked the first full year at Manchester Metropolitan for Stephen. His appointment reflects our increased focus on employability, and his early achievements include the creation of a new Early Career Graduate Team, and our new Mock Assessment Centres.

- **Rachel Beckett, Director of Library Services**

Prior to joining us in January 2020, Rachel spent 15 years at the University of Manchester, most recently as Associate Director of the John Rylands Library and Head of Engagement. An experienced senior leader, she has



significant experience of strategic planning, leading change and delivering results that benefit diverse audiences.

- **Jenny Singleton, Director of Student Services**

Jenny has spent 27 years working within the sector, including time as a Law Teacher, Senior Examiner (Criminal Law) for a national examination board and School Principal. She has a wealth of middle and senior leadership experience in learning, teaching and assessment, quality improvement and student services and acted in the capacity of CEO for five years, before embarking upon her career at Manchester Metropolitan.

To add to these appointments, we also initiated the search for a new Director of Sport and a new Director of the Manchester School of Art and began recruiting for our new office in Wuhan with five new appointments.

Nurturing a cadre of early career researchers

As well as supporting established researchers, we aim to attract and nurture emerging research talent. To this end, we appointed 60 new early career researchers and ran several new training and development programmes. For example, a Future RKE Leaders programme supports those making their first steps into research independence, whereas a Good to Great programme helps more

established researchers to develop their academic leadership credentials.

Focussing on the development of our people

To deliver our strategy and retain our talent, we need to invest in our people, keep them engaged, nurture their skills, provide inspirational leadership, and offer tangible career development opportunities. A significant development for 2019/20 was the creation of our new University Teaching Academy. And, to demonstrate our commitment to excellence in education, we launched a new programme for Future Education Leaders in support of the University's Education, Pedagogy and Citizenship career pathway.

The University's work in this area was also recognised by the Universities HR professional body with the national award for Organisational Development and Culture Change.

Extending our credentials as a responsible employer

Decent Work and Productivity is an important research theme at our Business School. We therefore pay particular attention to our duties as a responsible employer, especially around inclusion and diversity.

In 2019/20, for example, we implemented the voluntary living wage, launched a new suite of online training to promote wellbeing, celebrated our accreditation at the highest level of the government's

Disability Confident scheme and were recognised as the first 'Role Model' organisation in Manchester Pride's All Equals Charter. We also committed to the Race Equality Charter and agreed an initial action plan to strengthen workforce race equality across the University. In recognition of the working environment we strive to create, we received a Top Employer Award for the sixth consecutive year from the Top Employers Institute.

Responding quickly and effectively to COVID-19

As COVID-19 took hold, we supported the move to homeworking, continuing to run all our people-related services. Engagement and communication initiatives were stepped-up, including a Heads of Department meeting three times each week chaired by the Deputy Vice-Chancellor, and a series of pulse surveys among all staff.

We continued to invest strategically in our workforce (for example, 53 academic and 44 professional services appointments were made during the lockdown period). We also worked with the leadership team and Board of Governors to finalise and agree a new People Strategy, to provide a framework for the way we will recruit, engage, manage, develop, reward and retain our people going forward and set-out our commitment to further enhancing our support to the University's workforce community.

INVESTING IN OUR CAMPUS



We continue to invest significantly in our campus to create world-class teaching, learning, research and social spaces. In 2019/20 we celebrated several significant milestones and achievements in the delivery of our Estates Masterplan Investment Programme.

To support our core strategy by attracting and retaining high quality staff and students, we have committed to a significant, long-term investment programme for our campus. We know that providing cutting-edge facilities is key to achieving our aspirations in education, internationalisation, and research and knowledge exchange. We aim to create facilities that are:

- **High quality** – reflecting our ambitions and meeting the needs and expectations of students and staff
- **Effective** – providing the right spaces, equipped in the right way to enable our students to thrive
- **Efficient** – delivering value for money, with space that is well understood, managed and utilised

Putting the finishing touches to our new Arts and Humanities building

In a prominent position on Oxford Road, our new seven-storey Arts and Humanities building was completed in summer 2020. Providing a new home for inspirational teaching, with fully equipped theatre spaces, TV and radio studios, it also includes the new Manchester Poetry Library – only the fourth such library in the UK, and the first in the northwest.

Bringing together our sports-related expertise in a new purpose-built facility

Supporting academic synergies is a key theme of our Estates Strategy. A great example is the Institute of Sport, which received planning permission in February 2020. This will be a new centre of excellence for sport-related research, education and knowledge exchange. The new building will enable us to bring physically together the Department of Sport and Exercise Sciences with complementary sport-related expertise from the Faculty of Science and Engineering, the Faculty of Business and Law, and the Faculty of Health, Psychology and Social Care.

Partnering with the City to meet a need for new digital and creative skills

In November 2019, construction began on our School of Digital Arts (SODA), a £35m investment into the future of digital storytelling, part-funded by the Greater Manchester Combined Authority. Opening in 2021, this is a groundbreaking interdisciplinary school to help meet the urgent and growing demand for skilled workers in the creative digital and tech sector.



Getting the go-ahead for a new state-of-the-art Science and Engineering building

In March 2020, we received planning permission for a new Science and Engineering building. The seven-storey, low-energy building will reflect the future aspirations of our Faculty of Science and Engineering, and house the Manchester Fuel Cell Innovation Centre, which is dedicated to developing green, clean and accessible power. Due to open in 2023, it will provide new teaching spaces, cutting-edge laboratories (including a 200-seat super lab), academic offices, and social and self-directed learning areas.

Moving ahead with a new Public Realm Masterplan

Our outdoor areas are a strong feature of our campus. In 2019/20, following consultation across our communities, the Board of Governors agreed a new 'Public Realm Masterplan.' A ten-year investment programme with several phases, the plan will enable us to create a vibrant, welcoming, safe and secure network of imaginative outdoor spaces, where pedestrians and cyclists are prioritised. It will also improve our visibility along the busy Oxford Road corridor and improve connectivity with the wider city.

Improving the usability of a loved and listed landmark building

One of our most distinctive and treasured spaces is the Grade II listed Ormond Building. Built in 1881, it has been brought up-to-date this year, to provide a new base for the University's executive team, with that move freeing precious study space in the All Saints Building near to the library.

Responding to the challenges of COVID-19

In response to the COVID-19 pandemic, we quickly prepared for a safe and complete campus shutdown in March 2020. We were, however, able to continue with ongoing construction work, and to meet our related commitments.

Work also began to adapt our facilities for social distancing, in preparation for the start of the 2020/21 academic year.

Supporting our world-class academic and research aspirations with world-class facilities

To enable us to live-up to our academic and research aspirations, we need facilities to match.

For example, our new Science and Engineering building, will enable us to offer courses and business support that reflect future challenges, such as tackling climate change.

It will also provide space for substantial growth in our research across areas such as healthcare innovation, advanced materials and manufacturing, digital technologies and decarbonisation.

INVESTING IN A SUSTAINABLE FUTURE

Our commitment to protecting the environment is a core aspect of our Institutional Environmental Sustainability Strategy. We have always delivered a strong performance and, in 2019/20, we extended our sector leadership in this field.

Manchester Metropolitan is one of the UK's greenest universities. We are currently ranked second in the People & Planet University League, which assesses UK universities for their environmental and ethical performance. We have been in a top three position for the past eight years. In 2019/20 we continued our work to cut carbon emissions, increase recycling, promote sustainable food, and embed Carbon Literacy in the curriculum. However, the COVID-19 pandemic has had an impact on our performance and presents new environmental challenges along with some new opportunities.

Strengthening our environmental leadership and governance

A key development during 2019/20 was the creation of a new Environment Strategy Group. Chaired by the Deputy Vice-Chancellor, Professor Stephen Decent, with the Head of Department for Natural Sciences, Professor Liz Price, as its Academic Lead, the group reports directly to the University Executive Group.

Among its first priorities was to start work on a new 2030 Sustainability Strategy which will be aligned with our education, research, and internationalisation strategies. The group

will also link this new strategy directly to the relevant United Nations Sustainable Development Goals and monitor progress against the criteria set out in The Times Higher Education University Impact Rankings.

Reducing our carbon emissions – and ultimately eliminating them

We continue to make progress towards our carbon reduction targets.

For 2019/20, our scope 1 and 2 (direct) emissions were 61.7% down on our baseline year of 2005/06, which means we have exceeded our 2020/21 target of a 50% reduction.

We also continued work on a comprehensive plan to enable us to become a zero carbon university by 2038. Through this commitment, made in 2018, we are also making a tangible contribution to the City of Manchester's zero carbon ambitions.

Expanding on our Carbon Literacy initiatives

The term Carbon Literacy relates to the knowledge and capacity required to create a positive shift in how humankind lives, works and behaves in response to climate change. The concept evolved in Manchester and was adopted as part of the Transformative Actions Program (TAP) at the 2015 UN Climate Change summit in Paris. Manchester Metropolitan has been a strong supporter and advocate of the Carbon Literacy Project since its inception. We work in partnership with the Carbon Literacy Project, and have delivered Carbon Literacy to our students and staff since 2012.

In particular we see in particular, we see Carbon Literacy training for Staff and Students as a way to help reconcile the innate tension between our goals to recruit international students and to reduce carbon emissions.

Developments in 2019/20 include:

• **Winning at the Green Gown Awards**

In November 2019, our Carbon Literacy for Students training programme won the Tomorrow's Employee award in the Green Gown awards.

• **Delivering training at the University Leadership Forum**

In March 2020, Manchester Metropolitan's Carbon Literacy team and a group of students facilitated a Carbon Literacy training session among around 80 of our most senior staff.

• **Leading a national Carbon Literacy initiative**

In 2019, we became the lead Higher Education Institute in a project led by the Carbon Literacy Project and funded by the Department of Business, Energy and Industrial Strategy (BEIS) and Greater Manchester Combined Authority (GMCA) to develop Carbon Literacy toolkits for the Public Sector. The toolkit will be rolled out to the Further and Higher Education sector with support from the Environmental Association for Universities and Colleges (EAUC) and Students Organising for Sustainability (SOS-UK).

Promoting sustainable food across our operations

Over the course of the year, we developed a new Sustainable Food Policy. This provides a framework for our commitments to ensure that food and drink is produced, sourced, consumed and disposed of in such a way that considers the protection of the environment, provides benefit for society and sets high standards for animal welfare. In September 2019, we also opened a new meat-free café, called GROW as a collaboration between our catering services, and award-winning social enterprise MetMUUnch.

Achieving two new reaccreditations

In January 2020, following a review by the certification body NQA, we successfully maintained our certification to the international environmental management standard, ISO 14001:2015.

Then, in June 2020, we successfully achieved the National Union of Students Responsible Futures accreditation for the third time. This involved a two-day, student-led audit, facilitated by Students Organising for Sustainability UK (SOS-UK), and it means that we were one of just 13 UK universities to receive accreditation in 2019/20.

Reflecting on the impact of the COVID-19 pandemic

Our environmental performance was inevitably skewed by the consequences of the COVID-19 pandemic. Many 2019/20 metrics are artificially low, such as our energy and water use, waste levels, and carbon emissions. Going forward, we will no doubt face new challenges such as a likely increase in the volume of single-use plastics and single occupancy vehicle journeys for staff commutes. Equally, there will be opportunities, through the economic recovery and the implementation of Manchester City Council's 'Our Manchester' strategy which seeks to create a sustainable city.

GROW with MetMUnch

MetMUnch is a student-led social enterprise with a passion for sustainable food. In September 2019, in collaboration with the University's catering services, it opened GROW, a new meat-free café.

Complementing our new Sustainable Food Policy, GROW has built relationships with local farmers, bakers and ethical food producers. It also features in our Nutritional Science teaching. It is run by students and, so far, has been a runaway commercial success.

Selling around 1,000 food items a week, it has significantly outperformed the café that previously operated in the same space. As COVID-19 emerged, sales were up by 272% – and looked set to reach 372% by the end of the academic year.



INVESTING IN OUR DIGITAL INFRASTRUCTURE



To support our core strategy, we continue to invest heavily in digital capabilities. By giving students and staff easy access to new technologies, we can augment our teaching, support our researchers, achieve new efficiencies, and improve the quality of the overall student experience. In 2019/20 we continued to implement our strategic IT investments and accelerated our digital education programmes.

To deliver on our core strategy, we have committed to a multi-year, £30 million investment programme for our information systems. During 2019/20, we put many of the final components into place.

In tandem, we had been investigating how to optimise the potential benefits of digital education and started to roll out enabling technologies. With the onset of COVID-19, we accelerated this programme, rapidly facilitating the delivery of remote online teaching at scale.

Progressing with our Information Systems Strategic Investment Programme

We built on the work of previous years, launching a raft of new initiatives and capabilities, and progressing several others. For example:

- **Enhancing our online presence**

We completed the redesign and rebuild of our main website, mmu.ac.uk, with a specific emphasis on attracting new students. Among the improvements is a new international section to help us to engage more effectively with overseas applicants.

- **Transforming the student journey**

One of the core elements of this flagship programme, and a large-scale strategic project in its own right, the Student Journey Transformation Programme deploys digital technology to enhance the journey of our students from first enquiry, to their application and confirmation, to ultimately becoming a member of our alumni.

- **Enhancing the student experience**

Achievements included the completion of our new student portal and the MyMMU mobile app. We also enhanced the Electronic Management of Assessment (EMA) systems that enable students to submit their coursework and receive their assessments online. And we migrated our Learning Management System (Moodle) to Microsoft's Azure service to better accommodate spikes in usage.

- **Supporting our research ambitions**

To support our research ambitions, we deployed a new secure Research Data Storage platform, giving our teams a new way to work with and analyse very large data sets, and benefit from high levels of reliability, accessibility and security.

- **Improving the security and efficiency of our systems and processes**

We continued to enhance our internal processes and systems. For example, we further strengthened our information security (introducing multi-factor authentication and a new virtual private network). We also completed our Windows 10 and SharePoint Online migrations and prepared the way for the upgrade of our core finance and HR systems. And we began to explore the use of Robotic Process Automation to further increase efficiency.



Accelerating our digital education ambitions

We had already started work on a new digital education initiative to augment face-to-face learning with digital techniques, giving students more flexibility over when, where and how they engage.

This entails both cultural change (bringing our staff up-to-speed on the potential, improving their digital literacy, and enabling them to create engaging digital content) and a systems change (so that staff and students can easily access our digital education facilities). In 2019/20 we accelerated this programme to deliver online-only teaching swiftly as COVID-19 interrupted campus-based activity.

Responding quickly and effectively to COVID-19

Thanks to our investments in digital infrastructure, we were able to respond quickly as COVID-19 emerged. For example, we moved to at-scale homeworking at very short notice, including the deployment of more than 770 new laptops. All employees, including academic staff, were quickly given remote access to all the digital tools and technology they normally use on campus. We also accelerated the roll-out of Microsoft Teams for much of our remote teaching. There was no disruption to any of our student-facing systems through lockdown.

X-Reality @ Man Met

Demonstrating our commitment to digital, we have created a new Virtual Reality (VR) and Augmented Reality (AR) centre of excellence – called X-Reality @ Man Met.

Equipped with a full range of the latest VR and AR technologies, this is a shared facility for use across all faculties, to enhance our research and teaching. It also builds on the work and reputation of our Creative AR & VR Hub, and its established partnerships with government departments (like the UK Department of International Trade), businesses (like Samsung), and other leading universities (like Shanghai University, Haaga-Helia University, and Dublin Institute of Technology).

FINANCIAL STATEMENTS

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The University continues to deliver a robust financial performance with an operating surplus of £5.4m. Cash and short-term investments have decreased by £25.8m over the year (to stand at £138.5m), with the strategic investments in the estate, IT infrastructure and other facilities funded through internally-generated cash reserves.

With total net assets of £368.0m and borrowings of £26.0m, the financial position of the University remains robust.

£346.9m
Total income

£5.4m
Operating surplus

3.2%

Growth in income

£368.0m Total reserves

Cash and investments
at 31st July 2020

£138.5m

£20.2m

Net cash
inflow from
operating
activities

FINANCIAL PERFORMANCE

and sustainability

Income and Expenditure

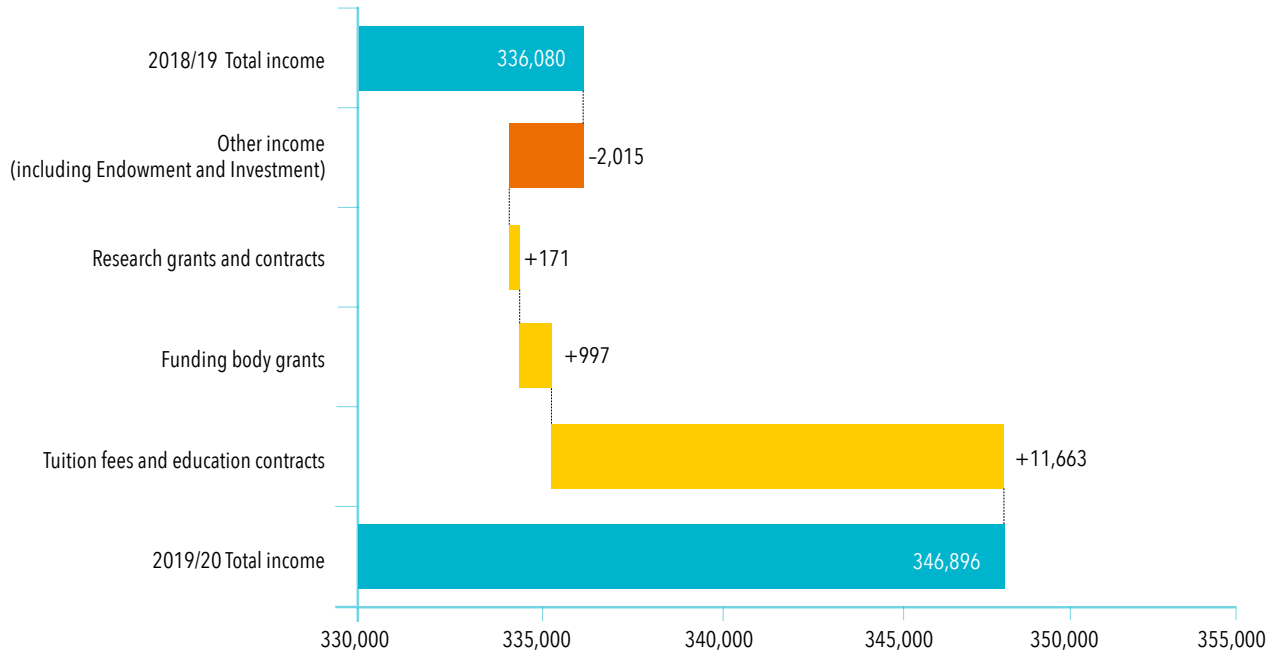
	2019/20 £'000	2018/19 £'000	Movement £'000
Income	343,580	335,580	8,000
Expenditure	(341,476)	(330,396)	(11,080)
Underlying operating surplus	2,104	5,184	(3,080)
Fundamental restructuring	-	(7,870)	7,870
Other capital grants (note 4)	3,316	500	2,816
Gain on disposal of fixed assets	(3,386)	292	(3,678)
Share of operating (deficit) / surplus in joint venture and associate	(41)	(22)	(19)
Surplus/(deficit) before tax	1,993	(1,916)	3,909
Taxation	(1)	-	(1)
Exchange losses	(12)	-	(12)
Actuarial (loss) /gain in respect of pension schemes	(85,177)	(38,728)	(46,449)
Total comprehensive income for the year	(83,197)	(40,644)	(42,553)

Balance Sheet

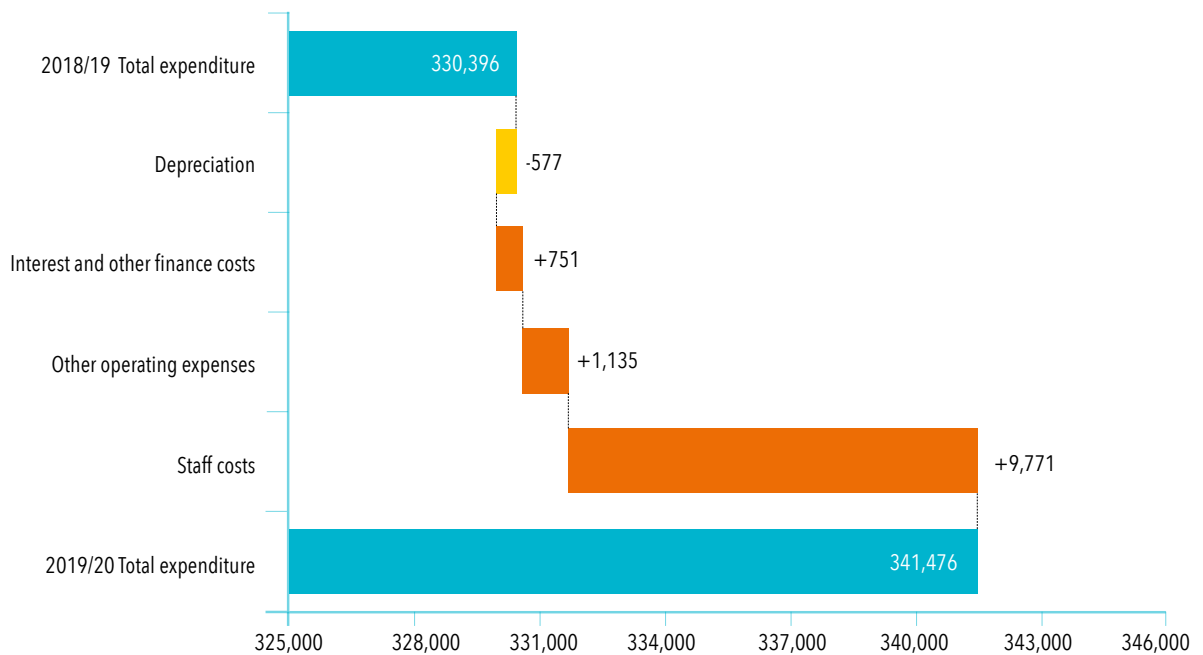
	2019/20 £'000	2018/19 £'000	Movement £'000
Fixed assets	503,016	468,744	34,272
Trade and other receivables	26,962	24,078	2,884
Cash and short term investments	138,523	164,278	(25,755)
Creditors less than one year	(58,253)	(53,241)	(5,012)
Net current assets	107,351	135,232	(27,881)
Borrowings	(25,961)	(27,809)	1,848
Pension provisions	(236,814)	(139,243)	(97,571)
Total Reserves	367,986	451,183	(83,197)

The key movements in income and expenditure are as follows:

Changes in income (£'000)



Changes in expenditure (£'000)



FINANCIAL PERFORMANCE

and sustainability

Income

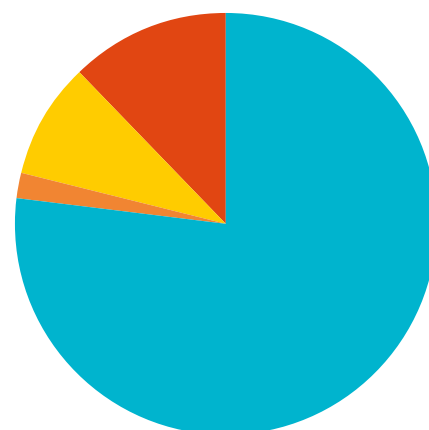
Year-on-year growth £10.8m (3.2%)

Growth in tuition fee income of £11.7m (4.4%) in the year to £275.0m recognises the attractiveness of the University among prospective students.

The increase in income year-on-year particularly reflects strong demand and growth in international students and apprenticeship courses.

The increase in funding body grants by £1.0m (3.4%) to £30.1m, is as a result of an increase in Research England Funding, with some accelerated funding distributed to the sector to alleviate any COVID-19-related pressures in delivering research activity.

The decrease in other income (£2.0m) is primarily a result of the receipt of a £3.3m capital grant towards the School of Digital Arts, which was offset by a £5.3m reduction in residences and catering income, due to the campus closing in the third term whilst the country was in lockdown.



- 9% Funding body grants
- 9% Other income (including Endowment and Investment income)
- 3% Research grants and contracts
- 79% Tuition fees and education contracts

Expenditure

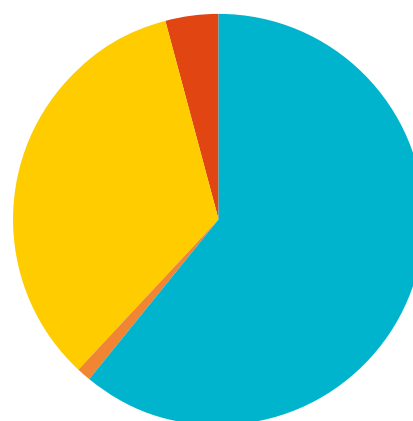
(excluding fundamental restructuring)

Year-on-year growth £11.1m (3.4%)

Staff costs of £214.9m in the year (an increase of £9.8m year-on-year) equates to 61.1% of income, compared with 61.0% in the prior year. Much of this increase is a result of increased pension contributions, with the employer contributions towards the Teachers Pension Scheme rising by £5.3m year-on-year, due to an increase to the contribution rate following the last formal valuation of the scheme.

Movements in pension provisions of £10.3m has been recognised within staff costs during the year. The Local Government Pension Scheme (LGPS) adjustment of £12.5m includes a past service gain on the McCloud judgement of £2.0m, with fewer members now eligible for this adjustment. Following the completion of the 2018 actuarial valuation, a new deficit recovery plan was agreed for the Universities Superannuation Scheme (USS), which resulted in a decrease of £2.1m from the prior year provision.

A £1.1m increase in other operating expenses during the year reflects continued investment in IT to enhance academic delivery. The overall operating expenditure during the year was slightly less than planned due to the impact of COVID19, where any non-essential expenditure was paused during the final months of the year.



- 4% Depreciation
- 32% Other operating expenses
- 1% Interest and other finance costs
- 63% Staff costs
- 0% Fundamental restructuring

Fixed assets

Year-on-year growth £34.3m (7.3%)

The Estates Masterplan Investment Programme 2017-2027, is a framework document that outlines a number of high-level strategic estates related investments that are required over the ten-year period to support the University in attaining its strategic objectives associated with education, research and knowledge exchange and sustainability. Capital expenditure of some £52.0m was incurred during 2019/20, primarily related to the investments in a new Arts and Humanities building and the purchase of land at Birchall Way, alongside other assets under construction, such as the Institute of Sport, Birley hall of residences, the Ormond Building refurbishment, the School of Digital Arts, and the new Science and Engineering building.

Total reserves

Year-on-year reduction of £83.2m (18.4%)

Total reserves have fluctuated in recent years, due to large actuarial gains/(losses) in the local government pension scheme. The University recognised an actuarial loss of £85.2m during the year due to current market conditions, the low return on investments, and the restrictive way that organisations are required to account for pensions at each balance date.

The University maintains a strong reserve position and positive net cash which demonstrates the financially sustainable way in which the University is managed. This will allow continued investment in students, staff and facilities in support of the University's strategic priorities and continued development.



FINANCIAL PERFORMANCE

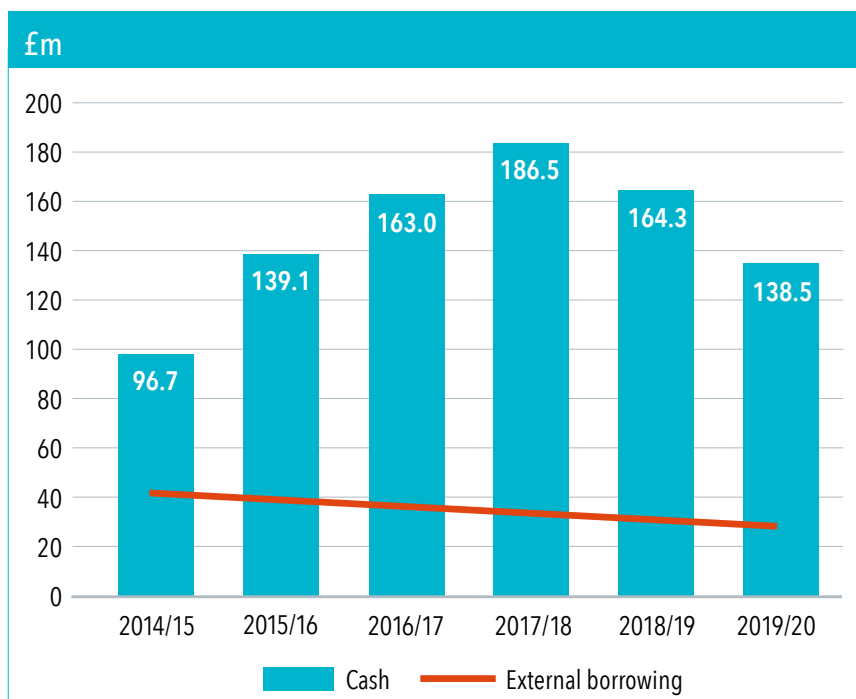
and sustainability

Treasury and investments

Cash resources (investments and cash and cash equivalents) stood at a healthy £138.5m at 31 July 2020, with the year-on-year reduction driven by the planned investment in the University's estate.

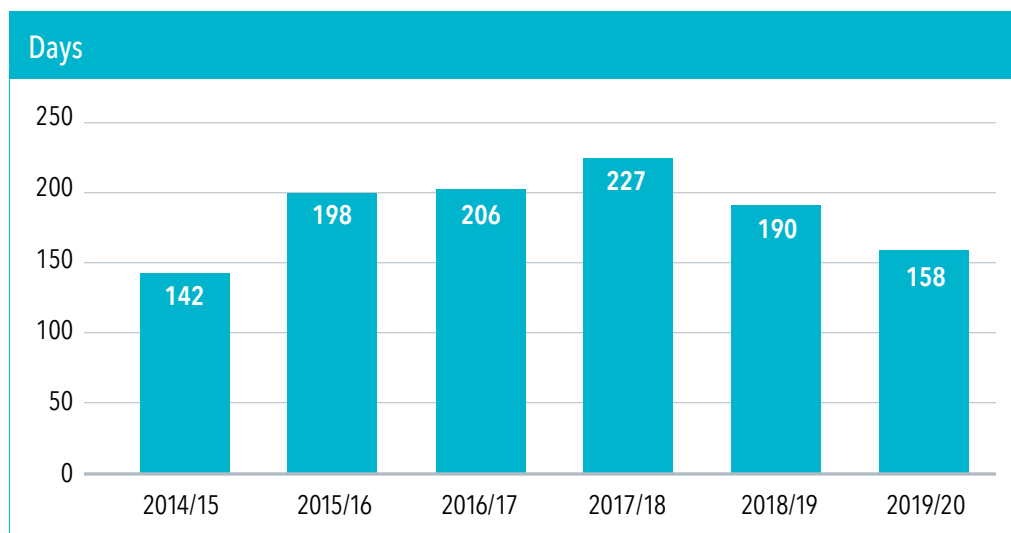
External borrowing reduced by £1.8m year-on-year as a result of scheduled capital repayments.

The graph to the right charts debt levels relative to cash over the past six years and demonstrates that the University is in positive net funds throughout the period.



The University aims to generate healthy operating cash flow levels (2019/20: £22.1m) to fund the future long-term investments, whilst still achieving the financial KPIs.

The graph below charts net liquidity days over the past six years. Net liquidity days has decreased from 190 days in 2018/19 to 158 days in 2019/20 as the University's Estates programme progresses. This will provide the funding headroom to support planned strategic investment in the estate, IT infrastructure and other facilities in the near-term.



Pension costs

The University is an employer in three large pension schemes which cover the majority of its employees. These are the Teachers' Pension Scheme, the Greater Manchester Pension Fund and the Universities Superannuation Scheme. Each of these schemes is structured differently and therefore requires different accounting treatments to meet the requirements of Financial Reporting Standard 102 (FRS102).

The pension costs (charged) in the accounts relating to these schemes is:

	2019/20 £'000	2018/19 £'000
Teachers' Pension Scheme	(16,994)	(11,680)
Greater Manchester Pension Fund	(26,048)	(25,113)
Universities Superannuation Scheme	(1,439)	(1,246)
Other pension commitments	(192)	(166)
Total	(44,673)	(38,205)

The share of the actuarial gain or (loss) of these schemes reflected in the University's accounts is:

	2019/20 £'000	2018/19 £'000
Teachers' Pension Scheme	-	-
Greater Manchester Pension Fund	(84,464)	(37,881)
Universities Superannuation Scheme	-	-
Other pension commitments	(713)	(847)
Total	(85,177)	(38,728)

The Teachers' Pension Scheme is an unfunded defined benefit scheme, with the benefits guaranteed by the UK government. The University pays employers, contributions into this scheme but has no further exposure to any actuarial gain or loss in the scheme.

The Greater Manchester Pension Fund is a multi-employer, funded defined benefit scheme. The University pays employer's, contributions into the scheme. It also carries the risk for its share of any actuarial gain or loss of the scheme. The liabilities of this scheme are sensitive to various assumptions as set out in the following table:

Change in assumptions at 31 July 2020	Approximate % increase in liabilities	Approximate monetary value £'k
0.5% decrease in the real discount rate	11%	70,302
0.5% increase in the salary increase rate	1%	6,682
0.5% increase in the pension increase rate	10%	62,232

Pension costs continued

The Greater Manchester Pension Fund valuation as at 31 March 2019 showed that the scheme was fully funded, with the funding level increasing from 93% at the previous valuation to 100% at the latest valuation.

Employer funding position	Valuation 31 March 2016 £'000	Valuation 31 March 2019 £'000
Past service liabilities		
Employees - Final Salary	103,689	91,094
Employees - CARE	20,488	58,427
Deferred Pensioners	47,870	74,708
Pensioners	117,898	157,556
Total	289,945	381,785
Asset Share	268,387	383,267
Surplus / (Deficit)	(21,558)	1,482
Funding Level	93%	100%

The employer's contribution rate has also been set to achieve a funding target of 100% on an ongoing participation basis, over a funding horizon of 20 years at a likelihood of 70%. The employer's contribution rate has been set at 21.4% over the next three years, in addition to an average employee contribution rate of 6.7% of pay.

However, there are number of differences between a triennial valuation and the annual actuarial valuation to meet the requirements of Financial Reporting Standard 102 (FRS102). The accounting standards require a more restrictive approach, primarily with the discount rate being based upon a high quality corporate bond rate (as at the balance sheet date), while the triennial valuation is based upon a more comprehensive and longer term assessment of the anticipated investment returns over the next 20 years.

A comparison between the financial assumptions applied in the Greater Manchester Pension Fund valuation as at 31 March 2019, and the latest assumptions on a FRS102 basis is as follows:

Actuarial assumptions underlying the funding position	Latest Valuation 31 March 2019	Actuarial Valuation as at 31 July 2020
Investment Return / Discount Rate	3.6%	1.4%
Salary Increase Rate	3.1%	2.9%
Pension Increase Rate (CPI)	2.3%	2.1%

As noted in the pension sensitivities table, a 0.5% change in the discount rate will increase the pension liabilities by £70.3m. As the discount rate is some 2.2% lower on a FRS102 basis than as at the 2019 scheme valuation, this generates a significant variation between the scheme valuation (£1.5m surplus) and on an accounting basis (£222.3m deficit).

The Universities Superannuation Scheme is a multi-employer, funded defined benefit scheme. However, as it is not possible to separately identify the University's share of assets and liabilities within the scheme it is accounted for as a defined contribution scheme. In addition the University recognises the present value of its obligation to make future payments under the scheme's deficit recovery plan. The cost of this (charged)/credited within staff costs is:

	2019/20 £'000	2018/19 £'000
Universities Superannuation Scheme	2,064	(3,577)

Changes to the deficit recovery plan during 2019/20 have resulted in a credit within staff costs of £2.1m.

KEY PERFORMANCE INDICATORS (KPIs)

Key Performance Indicators (KPIs) have been developed to allow the University to monitor its progress towards achieving its strategic objectives.

The financial KPIs cover key measures that ensure the University remains financially sustainable, while also allowing significant investment to take place to support the delivery of our mission in the areas of teaching, research and knowledge exchange.

The financial KPI table shows the financial strength of the University with the majority of measures significantly ahead of target. This strength will allow the University to continue investing across all areas of activity, while also providing resilience to manage any external risks that may arise.

	Target	2019/20	2018/19
Net liquidity (days)	> 60 days	154 days	191 days
External borrowing as % of total income	< 40.0%	7.6%	8.3%
Net cash inflow from operating activities as a % of total income	(i) Annual basis (> 5.0%)	5.8%	7.8%
	(ii) 6-year average basis (> 10.0%)	11.2%	11.5%

Going Concern and COVID-19

The University responded quickly to the COVID-19 outbreak to protect students, staff and the local community. In March 2020, the University closed the campus and moved to online teaching and assessment. The vast majority of staff continued to work remotely, delivering online teaching and other services. The University's capital projects experienced some minor delays while contractors established new ways of working on site but the University continued to deliver its Estates Strategy with minimal disruption.

Throughout lockdown the University did not access any additional borrowing. The University was also able to speed up payments to suppliers to help improve their liquidity. The University did not furlough any staff. A combination of the University's rapid move to online teaching and cost savings related to the closure of the campus, led to the University recognising an underlying surplus that was in line with financial projections set prior to COVID-19.

In October 2020, the Office for Students (OfS) required all registered providers to submit an Interim Finance Return to assess the financial viability of providers as they continue to manage the implications of COVID-19. The University's submission demonstrated adequate resources to continue in operation for the near future. In addition to the Interim Finance Return, the University conducted a Going Concern review for the period from 1 August 2020 to 31 December 2021. Scenario modelling shows that, even with significant reductions in income, the University will retain sufficient cash to meet its liabilities as they fall due over this period. Further details on the scenario modelling undertaken can be found on page 64.

The University has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the financial statements. In reaching this conclusion, it has reviewed the sustainability of the University and is satisfied that the strategies, plans and processes in place will help the University move towards delivering its strategy.

RISK SUMMARY

The University operates within a clear, consistent and dynamic risk management framework, which identifies, evaluates and manages risk systematically across the organisation.

The Corporate Risk Register is the focus for the documentation and assessment of key strategic risks. The Register identifies and defines individual risks, assesses their likelihood and impact, outlines the mitigating actions in place or underway to reduce the impact of the risk, and in conjunction with the Board of Governors, assesses the University's appetite for tolerating the individual risks identified.

These risks are reviewed regularly in light of internal and external developments and are also informed by similar risk registers developed by individual faculties and Professional Services.

During 2019/20, the Corporate Risk Register has been a particularly dynamic document, helping the University assess, in conjunction with the Board of Governors, the many risks facing the University and the wider sector, including those posed by COVID-19.

The table below summarises the key strategic risks that could impact on the University's ability to deliver our strategic objectives and the mitigating actions and controls in place to manage them effectively.

Risk area	Risk description	Risk Management
COVID-19		
Impacts of COVID-19	The ongoing COVID-19 pandemic has impacted on all aspects of the University's operations and there is a high risk of ongoing disruption in the academic year 2020/21, with potential financial impacts due to loss of income and higher costs incurred through disruption.	<ul style="list-style-type: none"> • Proactive management of the COVID-19 situation through University Executive Group and Working Groups as required • Establishment of a new Strategic Project: Academic Calendar 2020/21 to oversee delivery of block timetabling, digital education and student engagement
People		
Supporting our People	Extended period of intense work in response to COVID-19 has heightened the risks around staff engagement and health and wellbeing.	<ul style="list-style-type: none"> • Staff engagement strategy • Internal Communications Strategy • Close monitoring of staff wellbeing and flexible working arrangements • Staff Pulse Survey
Developing our People	In the medium to longer term, the risk remains that the Government may introduce a new fees system or other mechanisms which reduces funding for FT UG students.	<ul style="list-style-type: none"> • Continued emphasis on quality academic provision • Income diversification via PGT, international recruitment and apprenticeships
Diversifying income streams	Continued volatility in recruitment may impact our ability to diversify income streams with COVID-19 continuing to pose a significant risk to recruitment of international students.	<ul style="list-style-type: none"> • Continued emphasis on Internationalisation strategy • Enhanced support for UG to PGT progression • Expansion of existing markets and exploration of new markets to deliver student numbers
Supporting our students	The move to blended teaching delivery model for 2020/21 following a period of disruption has increased the need for student engagement and support. Our efforts to improve the student experience and key metrics on student outcomes do not deliver a return quickly enough to improve performance, impacting on our ability to recruit quality students.	<ul style="list-style-type: none"> • Implementation of Education Strategy • Continued investment in student success • Enhanced University Teaching Academy support for digital delivery of teaching • Academic Engagement Plan 2020/21: regular contact and surveys of student satisfaction • Enhanced early career graduate support for 2020 graduates

Risk area	Risk description	Risk Management
People continued		
Brand and reputation	Incident occurs which leads to loss of trust in quality or values of the University, damage to reputation and/or loss of confidence in academic quality or effectiveness of management and governance processes.	<ul style="list-style-type: none"> • Academic quality processes • Effective governance and management • COVID-19 response oversight by Project Board and Steering Group • Proactive communications and external engagement strategies around COVID-19
Space constraints	Space constraints on the Manchester campus are exacerbated by social distancing requirements. This restricts the University's ability to deliver its academic vision, limiting the ability to respond quickly to areas of growth, introduce new initiatives, potentially compromising the student and staff experience.	<ul style="list-style-type: none"> • Space Management Group • New approaches to space utilisation • Space management policy, guidelines and audit • 5-year strategic plan to address space utilisation • Agile Working Group • Better management of specialist space
Pension scheme costs	The cost of the three key pension funds continue to rise, leading to a requirement for a non-cash adjustment and/or higher employer and employee contributions.	<ul style="list-style-type: none"> • Involvement in the valuation process • Explore other pension options for our staff to spread risk away from the three main funds
Timing and pace		
Investing in change programmes	The wide-ranging impacts of COVID-19 have presented us with an unplanned and significant period of change for all our staff and students. Poor implementation and/or communication around change programmes, leading to significant disruption, senior management overstretch, lack of focus on key issues and staff morale issues.	<ul style="list-style-type: none"> • Portfolio approach to strategic project management • Effective planning processes to help provide focus • Staff engagement strategy • Internal Communications Strategy
Investing in the city and our physical presence	Delays to major estates projects or a building unexpectedly out of commission leading to significant disruption, negative impact on the student experience and financial loss.	<ul style="list-style-type: none"> • Estates Project management structure • Established business continuity plans
Compliance		
Regulatory Framework	Changes to the external regulatory framework with the establishment of the Office for Students (OfS), introducing new processes and registration conditions, particularly around Access and Participation, thus increasing the risk of fines, clauses being added to the conditions of registration and ultimately loss of university status.	<ul style="list-style-type: none"> • Effective governance and management • Establishment of OfS Compliance Group • Access and Participation Plan outcomes embedded in Education Strategy
Information security breach	An information security or data protection incident impacting on reputation and incurring fines. Remote working and the use of unsupported software increases the risk.	<ul style="list-style-type: none"> • Information Security Board and investment in IT • Enhanced guidance on information security circulated • Proactive deployment of Multi-Factor Authentication

CORPORATE GOVERNANCE

Constitution and Charitable Status

The Manchester Metropolitan University is a Higher Education Corporation (HEC) established under the provisions of the Education Reform Act 1988. The powers of the HEC are defined in section 124 of the 1988 Act as amended by the Further and Higher Education Act 1992. These powers include the power to provide higher education and to carry out research and to publish the results of such research.

The University is also an exempt charity as defined in the Charities Act 2011, with the Office for Students acting as its principal regulator.

The charitable purpose of the University, as defined in the Charities Act 2011, is the advancement of education for the public benefit. Members of the University's Board of Governors are the Charity Trustees and are responsible for ensuring compliance with charity legislation. The University's Trustees/Governors have regard to and comply with the Charity Commission's general and supplementary guidance on the public benefit in exercising their powers and duties. This Corporate Governance Statement relates to the financial year ended 31 July 2020 and is current until the date of approval of these audited financial statements.

Our Approach to Corporate Governance

The University's framework of governance is established in the Instrument and Articles of Government. The University is committed to exhibiting best practice in all aspects of corporate governance. It aims to conduct its business in a responsible and transparent way, and in accordance with:

- The principles identified by the Committee on Standards in Public Life, the Nolan Principles, (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- The University's governing documents, the Instrument and Articles of Government.
- The requirements of the HE regulator, the Office for Students (OfS).
- The Committee of University Chairs (CUC) Higher Education Code of Governance and other relevant guidance.
- Charity Commission Guidance.

The University's Audit Committee assures itself of compliance with the ongoing conditions of registration with the Office for Students (OfS) through the receipt of regular reports from the University's OfS Compliance Group. Internal audit reports are also provided to the Committee by UNIAC, the University's internal auditors, which map to, and provide evaluations of, compliance with OfS requirements where relevant.

In adopting the HE Code of Governance, the University has reviewed its governance practices and is satisfied that it fully complies with the Code. An external Board Effectiveness Review in 2017 also confirmed that the University met the requirements of the HE Code of Governance.

The University is committed to the principles of academic freedom and equality of opportunity. The University also has a Code of Practice on Freedom of Speech to help ensure that freedom of speech within the law is secured.



Summary of the University's Structure of Corporate Governance

The Board of Governors is the governing body of the University and therefore has ultimate responsibility for the University's overall strategic direction. The Board's responsibilities are set out in the University's Articles of Government, the Scheme of Delegation and in guidance from the Office for Students. The Board's responsibilities include determining the educational character and mission of the University, approving annual estimates of income and expenditure, ensuring the solvency of the University, safeguarding the University's assets, appointing the Vice-Chancellor, Clerk and external auditors and for putting in place effective systems of control and accountability.

In accordance with the University's Instrument of Government, the Board of Governors comprises predominantly independent members, together with the Vice-Chancellor and members of the staff and student bodies. The roles of Chair and Deputy Chair are separated from the role of the University's Chief Executive, the Vice-Chancellor.

The Vice-Chancellor has responsibility to the Board of Governors for the organisation, direction and management of the University. He is also the designated Accountable Officer for the purposes of the OfS terms and conditions of funding. The Vice-Chancellor is supported by a University Executive Group comprising of the Provost and Deputy Vice-Chancellor, the Chief Operating Officer and Clerk to the Board of Governors, Pro-Vice-Chancellors, and the Directors of Finance and Human Resources and Organisational Development.

Conduct of Business

The Board of Governors has four Board meetings per year and a two-day Strategy Meeting to consider long-term planning. The formal meetings of the Board are supplemented by informal briefing sessions on relevant issues, and attendance at key University events. This helps to ensure that Governors are part of the wider community of the University and that they are fully briefed on the activities of and challenges and opportunities facing the University.

The Board has a number of Committees to help it to discharge its business effectively. These are as follows:

- Audit Committee
- Finance and Resources Committee
- Nominations and Governance Committee
- Remuneration Committee

These Committees meet regularly and have clearly defined, delegated responsibilities. All of the Board's Committees regularly report to the Board, making recommendations as appropriate. In addition, the Audit Committee produces an annual report for the Board of Governors and the Vice-Chancellor providing an opinion on the adequacy and effectiveness of the University's arrangements for the following:

- Risk management, control and governance.
- Sustainability, economy, efficiency and effectiveness.
- The management and quality assurance of data submitted to regulatory bodies.

The Vice-Chancellor provides an update on University business and sector issues at each Board meeting and members of the University Executive Group also attend Board meetings as required to provide updates and to answer any questions that may arise.

Audit Committee

The Audit Committee is responsible for:

- reviewing the audit issues relating to the draft annual financial statements prior to submission to the Board of Governors, monitoring compliance with statutory requirements, accounting standards and best practices for financial reporting;
- agreeing with the internal and external auditors the range of the respective audits and reviews and discussing with the auditors and with management any matters arising from the audits and agreeing appropriate action;
- monitoring the adequacy and effectiveness of the accounting, internal control, governance and risk management systems;
- advising the Board of Governors about the adequacy and effectiveness of the University's arrangements for:
 - o risk management, control and governance
 - o sustainability, economy, efficiency and effectiveness (value for money)
 - o the management and quality assurance of data submitted to regulatory bodies.

The Audit Committee operates in accordance with OfS requirements and with best governance practice such as the HE Audit Committees Code of Practice produced by the CUC. Members of the Audit Committee do not have executive authority and are not also members of the Finance and Resources Committee to help to ensure that any potential conflicts of interest are avoided.

The Vice-Chancellor and the Director of Finance attend all Audit Committee meetings although they are not members of the Committee. The internal and external auditors also meet with the Audit Committee for independent discussions without any of the University's management being present.

The Audit Committee met three times during 2019/20 and members of the Committee were as follows:

Mark St John Qualter (Chair)

Evelyn Asante-Mensah

Carlo Frondaroli

Stephen Hawker (Co-opted member)

Richard Paver (Co-opted member)

Neil Thompson (to 25 September 2020)

Finance and Resources Committee

The Finance and Resources Committee is responsible for:

- considering, advising or determining, as appropriate, the strategies and policies for the effective and efficient use of the University's financial, physical and human resources;
- keeping the University's financial position under review, making recommendations to the Board concerning the University's annual budget and financial forecasts, ensuring the solvency of the University and the safeguarding of its assets;
- reviewing policies and practices concerned with staffing issues such as annual pay awards; staff appraisal; staff development; discipline and grievance; health and safety and equality and diversity.

The Finance and Resources Committee met four times during 2019/20 and members of the Committee were as follows:

Norman Harrison (Chair) (to 31 July 2020)

Sean Anstee (Chair) (from 1 August 2020)

David Birch

Janet Dawson

Simon Duffy (to 31 July 2020)

Malcolm Press

Miles Rothbury

Andrew Watson (Co-opted member from 1 December 2019)

Nominations and Governance Committee

The Nominations and Governance Committee is responsible for:

- overseeing corporate governance arrangements to ensure that the University is following best practice and adhering to regulatory requirements;
- advising the Board on the appointment and reappointment of Governors, ensuring compliance with the OfS 'fit and proper' public interest principle;
- ensuring arrangements are in place for the induction and ongoing development of Governors; and for monitoring the effectiveness of the Board.

The Nominations and Governance Committee met four times during 2019/20 and membership of the Committee was as follows:

Vanda Murray (Chair) (to 31 July 2020)

Simon Duffy (Chair) (from 1 August 2020)

Sean Anstee (from 1 August 2020)

Janet Dawson (from 1 August 2020)

Norman Harrison (to 31 July 2020)

Mike Perls (to 26 June 2020)

Malcolm Press

Mark St John Qualter

Karen Varty

Remuneration Committee

The Remuneration Committee is responsible for:

- making decisions on behalf of the Board on the remuneration for the Vice-Chancellor, the Clerk to the Board of Governors, and other members of the University Executive Group;
- approving performance related pay schemes for members of the University Executive Group and any payments made under such schemes;
- Ensuring that severance terms on exit, for any member of the University Executive Group comply with best practice, are fair to the individual, fair

to the University, do not reward failure and recognise the duty to mitigate loss.

Further information about the Remuneration Committee is shown in the Remuneration Report on page 53.

Board Effectiveness

In accordance with good practice/ CUC guidance, the Board of Governors periodically reviews its own effectiveness. The University's Board Effectiveness Framework comprises of the following:

- External Board Effectiveness Reviews, which take place at least every four years.
- An annual online board effectiveness survey.
- Chair 1:1 meetings with Governors.
- Meeting Effectiveness Questionnaires, which are completed by a small number of Governors after each Board meeting to gather more immediate feedback.

The last external review, which was undertaken in 2017 by an external assessor, concluded that the University's standard of governance was good and that the University had in place a comprehensive framework and structure of governance that conformed to sector best practice.

Governor Training and Development

Newly appointed Governors and co-opted Committee members participate in an individual induction programme, tailored to their specific needs and experience. In addition, all Governors are invited to attend conferences and events for Governors offered by organisations such as Advance HE.

Register of Interest

As part of the commitment to good governance and conducting its affairs in a responsible and transparent

way, all members of the Board and its Committees are required to exercise independent judgement at all times in the best interests of the University. This includes fully disclosing any actual, perceived or potential conflicts of interests as these arise and, if necessary, abstaining from any involvement in the decision-making process, including withdrawing from a meeting. The University's systems for managing any actual or perceived conflicts of interest are outlined in a Conflict of Interest Policy.

The University maintains a Register of Interests of Governors and senior managers, which is available for inspection on request to the Clerk to the Board of Governors. A list of Governors and senior managers who served during the financial year, and until the date the financial statements were formally approved, can be found on 104 to 107.

Academic Governance

In accordance with the University's Articles of Government, the University has an Academic Board that advises the Vice-Chancellor on the University's academic and related activities. In particular, it considers and advises on matters relating to awarding taught and research degrees. Academic Board is chaired by the Vice-Chancellor and its membership includes the Provost and Deputy Vice-Chancellor, the Chief Operating Officer and Clerk to the Board of Governors, Pro-Vice-Chancellors, members of the Professoriate and representatives from each Faculty, as well as the Students' Union President and the Students' Union Education Officer. A member of the Board of Governors also attends Academic Board meetings to help to enhance the link between the two Boards.

The Academic Board assists the Board of Governors in discharging its responsibility for ensuring that the University's academic governance arrangements are effective. In addition to receiving reports of the Academic Board meetings, the Board of Governors also

receives reports relating to the student academic experience, student outcomes and the setting and maintenance of academic standards.

Internal Control

The University's Governing Body has responsibility for maintaining a sound system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Governing Body in the Instrument and Articles and the regulatory requirements of the OfS.

The University's governing body, both directly and through its Audit Committee and Finance and Resources Committee, ensures that the University uses public funds only for the purposes for which they were provided and that the University complies with the terms and conditions of funding.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve 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 to the achievement of the University's aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place during the year ended 31 July 2020 and up to the date of approval of the financial statements, and accords with OfS guidance.

The University's internal control system is supported by a number of policies, regulations and schemes that have been approved by the Governing Body to help to prevent and detect corruption, fraud, bribery and other irregularities. These include:

- Financial Regulations
- Scheme of Delegation
- Risk Management Policy
- Anti-Fraud and Corruption Response Plan
- Anti-Money Laundering Policy
- Bribery Act Compliance Statement
- Criminal Finances Act Statement
- Theft, Fraud and Corruption Policy Statement

The Governing Body has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Board meets formally five times during the year to consider the plans, strategic direction and performance of the University as well as the risks facing the University and the mitigating actions that are put in place.
- A member of the Executive has responsibility for the promotion and co-ordination of risk management processes and reporting, ensuring it is embedded in on-going operations.
- A university-wide Risk Register is maintained and reviewed regularly by the University Executive Group, Audit Committee and Board of Governors.
- The University's risk management process ensures that the University's Risk Register is fully aligned to the strategic goals set out in the University's Strategic Framework.
- A robust risk prioritisation methodology has been established which ensures that all risks are identified across the University and held in Local Registers with the Corporate Risk Register focusing on the most important risks facing the University.
- All risks, including academic, business, operational, compliance and financial, are evaluated to consider their likelihood and impact and to ensure that appropriate mitigating actions are put into place on an on-going basis.

- The Board receives regular reports from the Chair of the Audit Committee concerning internal control, and from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key strategies and projects.
- The Audit Committee receives regular reports from Internal Audit, which includes Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The work of internal audit is guided by the University's Risk Register.


The Governing Body's review of the effectiveness of the system of internal control is informed by Internal Audit. The services provided by the internal audit consortium are also kept under review by a Board made up of senior staff from member institutions.

The most recent Internal Audit Annual Report concluded that the University's internal controls and arrangements for governance, risk management and securing value for money were effective.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the executive 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.

By order of the Board of Governors

S Duffy
Pro-Chancellor and Chair of
the Board of Governors



27 November 2020



RESPONSIBILITIES

of the Board of Governors

The Board of Governors is responsible for preparing the Annual 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.

The Board is 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 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors is 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 for that period.

In preparing each of the group and parent university financial statements, the Board of Governors is 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; *and*
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent university or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. The Board is responsible for such internal control as determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors is 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;
- funds provided by the Office for Students and Research England 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; and
- the economical, efficient and effective management of the University's resources and expenditure is secured.

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

By order of the Board of Governors



S Duffy

Pro-Chancellor and
Chair of the Board of Governors

27 November 2020

REMUNERATION

Report

Responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for agreeing the pay and conditions for the Vice-Chancellor, the Clerk to the Board of Governors, and other members of the University Executive Group. The University Executive Group comprises:

- Vice-Chancellor
- Provost and Deputy Vice-Chancellor
- Chief Operating Officer and Clerk to the Board of Governors
- Pro-Vice-Chancellor Education
- Pro-Vice-Chancellor International
- Pro-Vice-Chancellor Research and Knowledge Exchange
- Faculty Pro-Vice-Chancellor, Arts and Humanities
- Faculty Pro-Vice-Chancellor, Business and Law
- Faculty Pro-Vice-Chancellor, Education
- Faculty Pro-Vice-Chancellor, Health, Psychology and Social Care
- Faculty Pro-Vice-Chancellor, Science and Engineering
- Director of Finance
- Director of Human Resources and Organisational Development

Membership of the Remuneration Committee

The Remuneration Committee comprises four Independent Governors and is chaired by the Deputy Chair of the Board. During 2019/20, the membership of the Remuneration Committee was as follows:

Name	Role
Ms Rowena Burns <i>(from 1 September 2019)</i>	Independent Governor
Mrs Janet Dawson	Remuneration Committee Chair from 1 August 2020 Deputy Chair of the Board from 1 August 2020 Independent Governor
Mr Simon Duffy	Independent Governor Chair of the Board from 1 August 2020
Mr Norman Harrison <i>(until 31 July 2020)</i>	Remuneration Committee Chair until 31 July 2020 Independent Governor and Deputy Chair of Board
Ms Vanda Murray <i>(until 31 July 2020)</i>	Independent Governor and Chair of Board until 31 July 2020
Mr Mike Perls <i>(from 27 June 2020)</i>	Independent Governor

All appointments to the Committee, other than the Chair of the Board, who is an ex-officio member, are approved by the Board of Governors.

Membership of the Remuneration Committee *continued*

The Remuneration Committee is chaired by a Senior Independent Governor other than the Chair of the Board, which means that the person with responsibility for appraising the performance of the Vice-Chancellor does not also chair the Committee. The Vice-Chancellor is not a member of the Committee and is not invited to attend for any of the agenda items.

Operation of the Remuneration Committee

The University complies with the CUC Higher Education Senior Staff Remuneration Code and operates in accordance with best practice as recommended in the Higher Education Code of Governance and other relevant guidance, focusing on:

- A fair, appropriate and justifiable level of remuneration.
- Procedural fairness.
- Transparency and accountability.

The governance arrangements and the processes that underpin the determination of Vice-Chancellor and senior staff pay are kept under review to ensure that the Committee operates in line with best practice.

Frequency of Remuneration Committee Meetings

The Remuneration Committee usually meets once or twice per year and attendance at meetings in 2019/20 has been as follows:

Name	20 Sept 2019	18 Sept 2020
Rowena Burns	✓	✓
Janet Dawson	✓	✓
Simon Duffy	✓	✓
Norman Harrison	✓	
Vanda Murray	✓	
Mike Perls		✓

Approach to Remuneration

In relation to the Vice-Chancellor's and other members of the University Executive Group remuneration, the Remuneration Committee considers:

- The need to balance the current challenging external environment, the external perception of senior salaries in higher education, the University's financial position and the need to recruit, recognise and reward the contribution and performance of individuals and retain excellent staff.

- The size and complexity of the role – Manchester Metropolitan University is a large complex organisation with over 5,000 staff and 34,000 students.
- Performance against agreed objectives.
- Benchmark data, such as that provided by the Universities and Colleges Employer Association (UCEA) and the Committee of University Chairs' (CUC) Vice-Chancellors Salary Survey. To help to inform its decision-making, the Remuneration Committee uses data from the following comparator institutions:
 - o Birmingham City University
 - o Coventry University
 - o De Montfort University
 - o Leeds Beckett University
 - o Liverpool John Moores University
 - o Northumbria University
 - o Nottingham Trent University
 - o Oxford Brookes University
 - o Plymouth University
 - o Sheffield Hallam University
 - o University of Central Lancashire
 - o University of Hertfordshire
 - o University of Huddersfield
 - o University of Portsmouth
 - o University of Salford
 - o University of Sunderland
- Pay increases for other staff in the university.
- Regional, national and international market conditions.

Approach to Vice-Chancellor Remuneration

The Vice-Chancellor has an annual Performance Development Review meeting with the Chair of the Board of Governors to review performance against objectives and to discuss objectives for the next academic year. The Vice-Chancellor's objectives are recommended by the Chair of the Board, approved by the Remuneration Committee and shared with the Board of Governors. A report on the Vice-Chancellor's performance against agreed objectives is completed by the Chair of the Board and then considered by the Remuneration Committee. The size of any bonus is based on performance against objectives and is approved by the Remuneration Committee. Bonus payments are not consolidated. An annual remuneration report is produced for consideration by the Board of Governors.

Vice-Chancellor Remuneration

The current Vice-Chancellor, Professor Malcolm Press, took up the post at Manchester Metropolitan University on 1 June 2015. The Vice-Chancellor's salary reflects the following:

- the University is one of the largest in the country;
- the scale and complexity of the job;
- comparisons with benchmarks;
- performance as measured against robust objectives set by the Chair of the Board of Governors.

The Vice-Chancellor's remuneration includes the following elements:

- Salary
- Performance-related pay
- Benefits
- Pension opt-out payment

A summary of the Vice-Chancellor's remuneration over the past two years is shown below:

Emoluments of the Vice-Chancellor	2019-20 £'000	2018-19 £'000
Basic salary	268	268
Performance related pay	28	38
Payment in lieu of pension contribution	35	35
Death in service and incapacity cover (USS Enhanced Opt Out)	6	6
Corporate Health Insurance	1	1
Total	338	348

Other Benefits

The Vice-Chancellor has elected for a USS Enhanced Opt Out to retain death in service and incapacity cover in USS.

The Vice-Chancellor does not have a company car, loans of any description, including mortgage subsidies, or accommodation. As part of the University's commitment to environmental sustainability, the Vice-Chancellor shares a hybrid pool car with other members of the senior team.

Further information on the Vice-Chancellor's remuneration package can be found at:

mmu.ac.uk/about-us/our-people/vice-chancellor/pay

Relationship between the Vice-Chancellor's remuneration and all other employees, expressed as a pay multiple of the median pay at the University:

Emoluments of the Vice-Chancellor	2019-20 £'000	2018-19 £'000
Basic salary	7.4	7.7
Total remuneration	8.6	8.9

External Appointments

The Vice-Chancellor and senior staff contracts include a requirement for exclusivity of service which means that staff are not permitted to take on work with or for any organisation other than the University without permission.

The Vice-Chancellor currently receives £15k per annum for a Non-Executive Director role on the Board for the Institute of Apprenticeships and Technical Education.

The University also has a Consultancy Policy, which confirms the University's position in regard to any income generated by an individual from external bodies in a personal capacity.

Expenses

Details of expenditure associated with the Vice-Chancellor's role are published on the University website. This includes details of travel, accommodation and hospitality costs incurred by and on behalf of the Vice-Chancellor in the course of performing his duties for the University.

All expenditure for and by the Vice-Chancellor is wholly and exclusively for approved University business with the aim of enhancing the outcomes for students and staff (for example, industry or overseas placements, First Generation campaign, or facilitating grants and contracts). Services are procured in accordance with the University's Financial Regulations. Delivering a return on this expenditure and ensuring value for money is ultimately overseen by the Board of Governors.

Pay gap

A gender pay gap is the percentage difference between the average pay of male employees and female employees. From 2017, employers are required to publish the results of their gender pay analysis using prescribed calculations.

Further information on the University's Gender Pay Gap reporting can be found at:

mmu.ac.uk/about-us/equality-and-diversity

INDEPENDENT

Auditor's Report

Opinion

We have audited the financial statements of Manchester Metropolitan University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2020 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those

standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Board of Governors are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we

do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England) and the Education and Skills Funding Agency have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

Responsibilities of the Board of Governors

As explained more fully in the Board of Governors' responsibilities statement set out on page 52, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and the 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 the Board of Governors either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

Use of our report

This report is made solely to the Board of Governors, as a body, in accordance with Section 75 of the Higher Education and Research Act 2017. Our audit work has been undertaken so that we might state to the University's Board of Governors

those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Kyla Bellingall
(Senior Statutory Auditor)

*For and on behalf of BDO LLP,
Statutory Auditor*

Birmingham

30 November 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED AND UNIVERSITY STATEMENT

Of Comprehensive Income and Expenditure

Year ended 31 July 2020

	Notes	Consolidated £'000	2019/20 University £'000	Consolidated £'000	2018/19 University £'000
Income					
Tuition fees and education contracts	1	274,997	274,997	263,334	263,334
Funding body grants	2	30,130	30,130	29,133	29,133
Research grants and contracts	3	9,726	9,726	9,555	9,555
Other income	4	30,467	30,467	32,064	32,064
Investment income	5	1,172	1,172	1,863	1,863
Donations and endowments	6	404	404	131	131
Total income		346,896	346,896	336,080	336,080
Expenditure					
Staff costs	7	214,931	214,826	205,160	205,160
Other operating expenses		107,619	107,726	106,484	106,484
Fundamental restructuring costs		-	-	7,870	7,870
Depreciation	12	14,189	14,187	14,766	14,766
Interest and other finance costs	8	4,737	4,737	3,986	3,986
Total expenditure	9	341,476	341,476	338,266	338,266
Surplus/(deficit) before other gains/(losses)		5,420	5,420	(2,186)	(2,186)
(Loss)/gain on disposal of assets		(3,386)	(3,386)	292	292
Share of operating deficit in associate	15	(41)	-	(22)	-
Surplus/(deficit) before tax		1,993	2,034	(1,916)	(1,894)
Taxation	10	(1)	-	-	-
Surplus/(deficit) for the year		1,992	2,034	(1,916)	(1,894)
Exchange losses		(12)	-	-	-
Actuarial loss in respect of pension schemes	20	(85,177)	(85,177)	(38,728)	(38,728)
Total comprehensive (expenditure)/income for the year		(83,197)	(83,143)	(40,644)	(40,622)
Represented by:					
Endowment comprehensive income/(expenditure) for the year		1	1	(40)	(40)
Restricted comprehensive income/(expenditure) for the year		36	36	(21)	(21)
Unrestricted comprehensive expenditure for the year		(83,234)	(83,180)	(40,583)	(40,561)
		(83,197)	(83,143)	(40,644)	(40,622)

All items of income and expenditure relate to continuing activities.

CONSOLIDATED AND UNIVERSITY STATEMENT

Of Changes in Reserves

Year ended 31 July 2020

	Income and expenditure account			Revaluation reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Consolidated					
Balance at 1 August 2018	511	58	414,829	76,429	491,827
Surplus/(deficit) for the year	(40)	26	(1,902)	-	(1,916)
Other comprehensive expenditure	-	-	(38,728)	-	(38,728)
Transfers between revaluation and income and expenditure reserve	-	-	3,516	(3,516)	-
Release of endowment and restricted funds spent in year	-	(47)	47	-	-
Total comprehensive expenditure for the year	(40)	(21)	(37,067)	(3,516)	(40,644)
Balance at 1 August 2019	471	37	377,762	72,913	451,183
Surplus for the year	1	62	1,929	-	1,992
Other comprehensive expenditure	-	-	(85,189)	-	(85,189)
Transfers between revaluation and income and expenditure reserve	-	-	3,696	(3,696)	-
Release of endowment and restricted funds spent in year	-	(26)	26	-	-
Total comprehensive expenditure for the year	1	36	(79,538)	(3,696)	(83,197)
Balance at 31 July 2020	472	73	298,224	69,217	367,986
University					
Balance at 1 August 2018	511	58	414,713	76,429	491,711
Surplus/(deficit) for the year	(40)	26	(1,880)	-	(1,894)
Other comprehensive expenditure	-	-	(38,728)	-	(38,728)
Transfers between revaluation and income and expenditure reserve	-	-	3,516	(3,516)	-
Release of endowment and restricted funds spent in year	-	(47)	47	-	-
Total comprehensive expenditure for the year	(40)	(21)	(37,045)	(3,516)	(40,622)
Balance at 1 August 2019	471	37	377,668	72,913	451,089
Surplus for the year	1	62	1,971	-	2,034
Other comprehensive expenditure	-	-	(85,177)	-	(85,177)
Transfers between revaluation and income and expenditure reserve	-	-	3,696	(3,696)	-
Release of endowment and restricted funds spent in year	-	(26)	26	-	-
Total comprehensive expenditure for the year	1	36	(79,484)	(3,696)	(83,143)
Balance at 31 July 2020	472	73	298,184	69,217	367,946

CONSOLIDATED AND UNIVERSITY

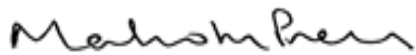
Balance Sheet

At 31 July 2020

	Notes	2020		2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	11	19,247	19,247	15,926	15,926
Fixed assets	12	503,016	503,012	468,744	468,744
Heritage assets	13	4,305	4,305	4,305	4,305
Investments	14	78	158	106	106
Investments in associate	15	53	-	94	-
		526,699	526,722	489,175	489,081
Current assets					
Stock		119	119	117	117
Trade and other receivables	16	26,962	26,967	24,078	24,078
Investments	17	45,188	45,188	106,200	106,200
Cash and cash equivalents	23	93,335	93,256	58,078	58,078
		165,604	165,530	188,473	188,473
Less: Creditors: amounts falling due within one year	18	(58,253)	(58,242)	(53,241)	(53,241)
Net current assets		107,351	107,288	135,232	135,232
Total assets less current liabilities		634,050	634,010	624,407	624,313
Creditors: amounts falling due after more than one year	19	(24,566)	(24,566)	(26,190)	(26,190)
Provisions					
Pension provisions	20	(236,814)	(236,814)	(139,243)	(139,243)
Other provisions	20	(4,684)	(4,684)	(7,791)	(7,791)
Total net assets		367,986	367,946	451,183	451,089

	Notes	2020		2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Restricted reserves					
Income and expenditure reserve - endowment reserve	21	472	472	471	471
Income and expenditure reserve - restricted reserve	22	73	73	37	37
Unrestricted reserves					
Income and expenditure reserve - unrestricted		298,224	298,184	377,762	377,668
Revaluation reserve		69,217	69,217	72,913	72,913
Total reserves		367,986	367,946	451,183	451,089

The financial statements were approved by the Governing Body on 27 November 2020 and were signed on its behalf on that date by:



Professor Malcolm Press, Vice-Chancellor



Simon Duffy, Pro-Chancellor



Andrew Hewett, Director of Finance

CONSOLIDATED STATEMENT OF Cash Flows

Year ending 31 July 2020

	Notes	2019/20 £'000	2018/19 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		1,992	(1,916)
Adjustment for non-cash items			
Depreciation	12	14,189	22,250
(Increase)/decrease in stock		(2)	69
Increase in debtors		(2,825)	(2,765)
Decrease in creditors		(706)	(1,963)
Increase in pension provision		12,394	18,048
Decrease in other provisions	20	(3,107)	(3,769)
Share of operating deficit in associate	15	41	22
Adjustment for investing or financing activities			
Investment income	5	(1,172)	(1,863)
Interest payable		1,517	1,258
Endowment income	6	(205)	(101)
Loss/(gain) on the sale of tangible assets		3,386	(292)
Disposal of investments		28	-
Capital grant income		(5,291)	(2,639)
Cash flows from operating activities		20,239	26,339
Taxation		(1)	-
Net cash inflow from operating activities		20,238	26,339

	Notes	2019/20 £'000	2018/19 £'000
Cash flows from investing activities			
Proceeds from sales of fixed assets		125	4,054
Capital grant receipts		9,577	3,806
Withdrawal of deposits		101,200	103,000
Investment income		1,064	1,630
Payments made to acquire tangible assets		(49,746)	(43,330)
Payments made to acquire intangible assets		(3,683)	(10,446)
New deposits		(40,188)	(106,200)
Cash flows from / (used in) investing activities		18,349	(47,486)
Cash flows from financing activities			
Interest paid		(1,509)	(1,397)
Interest element of finance lease		(8)	(8)
Endowment cash received		205	101
Repayments of amounts borrowed		(1,848)	(2,823)
Capital element of finance lease		(158)	(158)
Cash flows used in financing activities		(3,318)	(4,285)
Increase/(decrease) in cash and cash equivalents in the year		35,269	(25,432)
Cash and cash equivalents at beginning of the year	23	58,078	83,510
Exchange losses on cash and cash equivalents	23	(12)	-
Cash and cash equivalents at end of the year	23	93,335	58,078

STATEMENT OF

Accounting Policies

i) General information

The Institution of The Manchester Metropolitan University is registered with the Office for Students in England. The address of the registered office is:

All Saints
Manchester
M15 6BH

ii) Statement of compliance

The Consolidated and University 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 in 2017. 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 University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

iii) Basis of preparation

The Consolidated and University financial statements have been prepared under the historical cost convention (except in the case of fixed assets which are held at deemed cost).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Corporate Governance and Risks and Opportunities section which form part of the Annual Report.

The Annual Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. Given the economic uncertainty resulting from the COVID-19 pandemic we expect to see some operational disruption during 2020/21. The University conducted a Going Concern review for the period from 1 August 2020 to 31 December 2021 (more than 12 months after the signing of the accounts). Scenario modelling shows that, even with significant reductions in income, the University will retain sufficient cash to meet its liabilities as they fall due over this period.

The vast majority of tuition fee and residence income is invoiced in the first quarter of the financial year, therefore the University is able to forecast income to a high level of accuracy for the next financial year, reducing the uncertainty within the forecast figures. Despite this, the University has modelled some going concern scenarios to address the potential impact of COVID-19 on revenue streams. In the first lockdown, the University was quick to respond moving teaching online and closing the halls of residence for the final term, refunding residence fees all students. The University recognises that throughout the period to December 2021 a return to online teaching and/or closure of halls of residences may be required, therefore the University has modelled increasingly stressed scenarios compared to the forecasts. The scenarios factor in a reduction in tuition fees due to increased withdrawals from the lack of face-to-face teaching, and closure of halls of residence for one or two terms.

The scenario modelling did not factor in any mitigating actions such as reducing operating expenses, pausing capital expenditure or seeking additional borrowing. In all scenarios modelled the University remains financially viable and does not breach banking covenants.

The University also modelled reverse stress testing on income, which

indicated that for the University not to meet its working capital requirements, total cash inflow would need to reduce by over 10%. As with the scenario modelling, any mitigating actions were excluded. Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote.

At the date of approval of these financial statements, the Board has prepared cash flow forecasts to 31 December 2021 and performed an assessment which considers a period of at least 12 months from this date of approval. Given the unprecedented nature of the COVID-19 events, it is difficult to predict future performance and cash flows with certainty. The actual scenarios which materialise in the period ahead will undoubtedly be different to the scenarios modelled. In the event that the actual position is worse than that modelled in the forecasts, the Board of Governors has a reasonable expectation that the University's current liquidity and the further mitigation actions available would enable the University to respond to such circumstances. As such, the Board of Governors acknowledge that uncertainty exists but do not consider this to be material uncertainty in relation to going concern.

Having taken into account all of the aforementioned comments, actions and factors in relation to Going Concern and the potential impact of COVID-19, and in light of the University meeting working capital requirements under various scenarios, the Board of Governors consider that the University has adequate resources to continue in operational existence for the foreseeable future, being a period of at least 12 months from the signing of these accounts. Thus it continues to adopt the going concern basis in preparing the annual financial statements.

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

iv) Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries together with the share of associates for the financial year to 31 July 2020.

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

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

v) Income recognition

Income from the sale of goods or services is credited to the Consolidated and University 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 Income and Comprehensive Expenditure over the period in which

students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment or fee waiver allocated from the student support package, 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

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non government sources are recognised as income when the University is entitled to the income and 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 balance sheet 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 identified within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective 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 grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

vi) Accounting for retirement benefits

(a) Teachers' Pension Scheme ('TPS') and the Greater Manchester Local Government Pension Fund ('GMPF')

Two of the principal pension schemes which the University's staff are members

vi) Accounting for retirement benefits *continued*

of are the TPS and the GMPF. These are externally funded and contracted out of the State Second Pension (S2P). A small number of staff remain in other pension schemes.

The GMPF is a defined benefit scheme which is valued, by qualified actuaries, on a triennial basis.

The TPS is a statutory, unfunded defined benefit scheme and as such it is not possible to identify any assets or liabilities. Therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

The contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the University, so that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

(b) Enhanced pensions

The University continues to make a diminishing number of pension enhancement payments to retired employees or their dependents. The value of this liability is reflected as part of the pension provision on the balance sheet and is reviewed by qualified actuaries every three years. Each year there is a charge against the provision for payments to the pensioners and a credit to the provision for a notional interest charge.

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.

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 should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. 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 from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

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 29 to the accounts.

(c) Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS). This is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated and University Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (The Recovery Plan) that determines how each employer within USS will fund the overall deficit, the

University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

vii) 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.

viii) 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 lease 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.

ix) 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.

Conversely, where the university acts as a lessor, income is recognised on a straight line basis over the lease term.

x) Foreign currency

Transactions in foreign currencies are translated into sterling using the exchange rate ruling at the date of the transaction. Monetary assets and

liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date.

Foreign exchange differences arising on translation are recognised in Surplus. 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.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the group's presentational currency, Sterling, at foreign exchange rates ruling at the reporting 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.

xi) Fixed assets

Fixed assets are capitalised where they are capable of being used for a period that exceeds one year and which:

- individually have a cost equal to, or greater than £25,000, or;
- collectively have a cost equal to or greater than £25,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control;

Any asset costs not meeting the above criteria are expensed in the year of acquisition.

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Certain items of freehold land and buildings that had been revalued prior to the date of transition to FRS 102 on 31 July 2014, are measured on the basis of

deemed cost, as a proxy for cost, being the revalued amount at the date of that transition.

Costs incurred in relation to major enhancements of existing buildings are capitalised to the extent that they increase the expected future benefits from the existing fixed asset beyond its previously assessed standard of performance. The cost of any such enhancements are added to the gross carrying amount of the fixed asset concerned.

Freehold land is not depreciated as it is considered to have an indefinite useful life and no depreciation is charged on assets in the course of construction.

Other fixed assets are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings

50 years

Subsequent additions

10 years

Plant and machinery

4 years

Fixtures and fittings and equipment

(excluding computer equipment and 70 Oxford Street)

Computer equipment

5 years

70 Oxford Street fixtures and fittings

Life of the lease

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

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

Assets held for sale are held at the lower of deemed cost or net realisable value and are not depreciated.

xii) Major software costs (intangible asset)

Major software costs associated with the application development and implementation phases are capitalised. This may include the acquisition of computer equipment or third party software.

Costs in respect of major upgrades and enhancements will be capitalised only if the expenditure results in additional functionality with future economic benefits expected.

Training costs are not implementation costs and are expensed as incurred.

Major software costs are amortised over their remaining useful economic life.

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

xiii) Heritage assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at their value based on a valuation carried out by Bonhams during the financial year 2012/13.

Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. Assets will be held at initial valuation in the year of capitalisation with no subsequent revaluations performed.

The assets are subject to an annual impairment review in accordance with applicable accounting standards.

xiv) Investments

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

xv) Stock

Stock is held at the lower of cost and net realisable value. It consists of solely cleaning materials, consumables, food and bar stocks.

xvi) 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.

xvii) 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 possible obligation whose existence will only be confirmed by the occurrence

or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a 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 Balance Sheet but are disclosed in the Notes to the Accounts.

xviii) Accounting for jointly controlled operations

The University accounts for its share of subsidiaries using the equity method.

The University recognises in the accounts with respect to jointly controlled assets its share of the joint assets, any liabilities that it has incurred directly and its share of any liabilities incurred jointly with the other venturers, income from the sale or use of its share of the output of the joint venture, its share of expenses incurred by the joint venture and expenses incurred directly in respect of its interest in the joint venture.

xix) Taxation

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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

xx) Reserves

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

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

xxi) Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University 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.

(a) Financial assets

Basic financial assets include trade

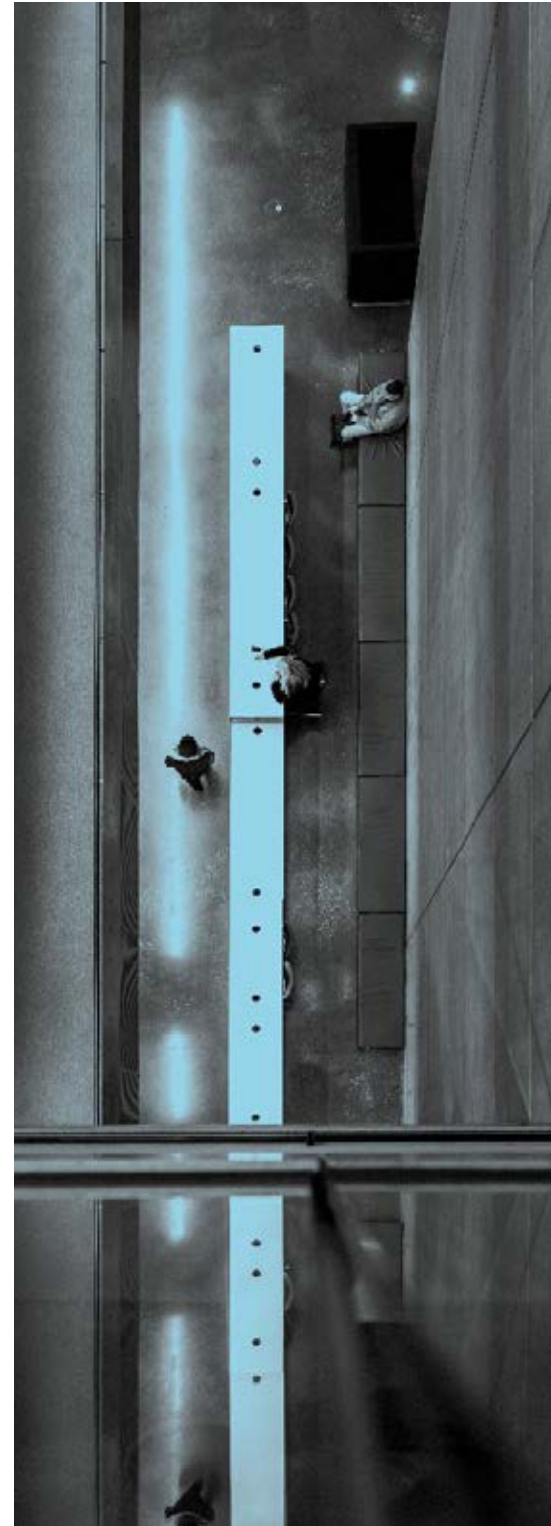
and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future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

(b) 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.

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.



NOTES TO The Accounts

Year ended 31 July 2020

Notes	2019/20 Consolidated and University £'000	2018/19 University £'000
1 Tuition fees and education contracts		
Full-time home and EU students	226,927	220,540
Full-time international students	25,832	21,002
Part-time students	9,250	8,570
Short course fees	334	673
Education contracts - NHS	2,977	6,023
Education contracts - Other	9,677	6,526
	274,997	263,334
2 Funding body grants		
Recurrent grant		
Office for Students / Research England	20,414	19,319
Education and Skills Funding Agency	1,792	2,004
Department for Education	341	445
Capital grant	1,975	2,139
Specific grants		
Office for Students	5,608	5,226
	30,130	29,133
3. Research grants and contracts		
Research councils	2,574	2,577
Charities	1,423	1,339
Government (UK and overseas)	4,533	4,475
Industry and commerce	1,050	1,100
Other	146	64
	9,726	9,555
4 Other income		
Residences, catering and conferences	15,828	21,110
Other services rendered	7,396	4,926
Other capital grants	3,316	500
Other income	3,927	5,528
	30,467	32,064

	Notes	2019/20 Consolidated and University £'000	2018/19 £'000
5 Investment income			
Investment income on endowments	21	4	3
Income from investments		1,060	1,627
Interest on sale of assets debtor		108	233
		1,172	1,863
6 Donations and endowments			
New endowments	21	205	101
Donations with restrictions	22	62	26
Unrestricted donations		137	4
		404	131
The source of grant and fee income, included in notes 1 to 3 is as follows:			
Grant income from the OfS		18,355	18,178
Grant income from other bodies		24,817	20,510
Fee income for research awards (exclusive of Vat)		2,379	1,954
Fee income from non-qualifying courses (exclusive of Vat)		334	673
Fee income for taught awards (exclusive of Vat)		259,630	248,158
		305,515	289,473

	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
7 Staff costs				
Salaries	154,504	154,410	145,658	145,658
Social security costs	16,457	16,446	15,627	15,627
Movement on USS provision	(2,184)	(2,184)	3,479	3,479
Movement on other pension provisions	12,498	12,498	12,048	12,048
Pension costs	32,175	32,175	26,157	26,157
Sub-total	213,450	213,345	202,969	202,969
Restructuring costs	1,481	1,481	2,191	2,191
Total	214,931	214,826	205,160	205,160

NOTES TO

The Accounts

7 Staff costs continued

Notes	2019/20 Consolidated and University £'000	2018/19 Consolidated and University £'000
Emoluments of the Vice-Chancellor		
Basic salary	268	268
Performance related pay	28	38
Payment in Lieu of Pension Contribution	35	35
Death in service and incapacity cover (USS Enhanced Opt Out)	6	6
Corporate Health Insurance	1	1
Total excluding pension	338	348
Pension contributions	-	-
Total including pension	338	348

Other benefits

The Vice-Chancellor does not have a company car, loans of any description, including mortgage subsidies, or accommodation. As part of the University's commitment to environmental sustainability, the Vice-Chancellor shares a hybrid pool car with other members of the senior team.

Further information on the Vice-Chancellor's remuneration package can be found at: mmu.ac.uk/about-us/our-people/vice-chancellor/pay

How the Vice-Chancellor's remuneration package is determined

The remuneration package for the Vice-Chancellor is decided by the University's Remuneration Committee. The Committee is chaired by a Senior Independent Governor other than the Chair of the Board of Governors. This means that the person with responsibility for appraising the performance of the Vice-Chancellor does not also chair the Committee which has oversight for senior staff remuneration. The Vice-Chancellor is not a member of the Remuneration Committee.

When considering the appropriate salary for the Vice-Chancellor, the Remuneration Committee gives due regard to the size and complexity of the role and benchmark data, such as that provided by UCEA. If an increase in salary is considered appropriate, pay increases awarded to other staff in the University are taken into account.

The Vice-Chancellor's objectives are recommended by the Chair of the Board, approved by Remuneration Committee and shared with the Governing Body. The size of any performance-related bonus is determined in line with agreed criteria and is approved by the Remuneration Committee.

The Committee operates in accordance with best practice as recommended in the Higher Education Code of Governance and other guidance produced by the Committee of University Chairs and the Office for Students.

Relationship between the Vice-Chancellor's remuneration and all other employees, expressed as a pay multiple of the median pay at the University:

	2019/20	2018/19 Restated
Basic salary	7.5	7.7
Total remuneration	8.6	8.9

The multiples outlined above are based upon the median pay for all employees (on a full-time equivalent basis) at the balance sheet date. The prior year figure has been restated to comply with the 2019/20 accounts direction.

Remuneration of other higher paid staff, excluding employer's pension contributions:

Basic salary per annum	2019/20 Number	2018/19 Restated Number
£100,000 to £104,999	2	4
£105,000 to £109,999	3	1
£110,000 to £114,999	2	2
£115,000 to £119,999	1	4
£120,000 to £124,999	3	1
£125,000 to £129,999	4	2
£130,000 to £134,999	-	2
£135,000 to £139,999	3	2
£140,000 to £144,999	1	-
£145,000 to £149,999	-	1
£150,000 to £154,999	1	1
£155,000 to £159,999	-	1
£160,000 to £164,999	1	-
£165,000 to £169,999	1	-
£170,000 to £174,999	-	-
£175,000 to £179,999	-	-
£180,000 to £184,999	-	-
£185,000 to £189,999	1	-
	23	21

	2019/20 £'000	2018/19 £'000
Severance payments		
Compensation for loss of office paid	1,485	2,346
Number of staff in receipt of compensation for loss of office	181	147

NOTES TO

The Accounts

7 Staff costs continued

Average staff numbers by major category	2019/20	2018/19
Academic	1,973	2,025
Support staff	1,996	1,912
	3,969	3,937

Key management personnel

Key management personnel are the members of staff having authority and responsibility for planning, directing and controlling the activities of the University. Key management personnel are therefore considered to be members of the University Executive Group (UEG). There are 14 positions within the group and in 2019/20, 14 people held these roles at some point during the year (2018/19: 14 positions, 14 people). Staff costs includes compensation paid to key management personnel.

	2019/20	2018/19
	£'000	Restated £'000
Key management personnel compensation	2,546	2,587

Included in the above is £ nil paid to key management personnel in respect of loss of office (2018/19: £ nil).

Details on members of the University Executive Group can be found on the following website: mmu.ac.uk/about-us/our-people/university-executive-group

Board of Governors

The University's Board of Governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Board of Governors, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of Board of Governors may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

No governor (all of whom are trustees to the University's charitable status) has received any remuneration from the group during the year (2018/19: £ nil)

The total expenses paid to or on behalf of 10 trustees was £7,000 (2018/19: £11,000 to 11 trustees). This represents travel and subsistence expenses incurred in attending Board of Governors meetings, Committee meetings and Charity events in their official capacity.

	2019/20 Consolidated and University £'000	2018/19 £'000
8 Interest and other finance costs		
Loan interest	1,683	1,701
Finance lease interest	8	(138)
Net charge on pension schemes	3,046	2,423
	4,737	3,986
9a Analysis of total expenditure by activity		
Academic and related expenditure	191,030	188,159
Administration and central services	78,948	64,254
Premises (including service concession cost)	30,961	36,220
Residences, catering and conferences	13,034	15,682
Research grants and contracts	6,468	7,910
Other expenses	21,035	26,041
	341,476	338,266

Other operating expenses include:

	2019/20 £'000	2018/19 £'000
Operating lease rentals		
Land and buildings	9,035	8,452
Other	405	51
External auditors remuneration in respect of audit services		
Audit services	100	65
Other audit services	9	17
Taxation services	-	14
Other services	-	73
Total non-audit services	-	87

9b Access and Participation

Access Investment	1,277
Financial Support	9,693
Disability Support	1,600
Research and Evaluation	131
	12,701

£3.2m of access and participation expenditure relates to staff costs.

The total of the approved expenditure in our Access and participation plan for the year ended 31 July 2020 was £9.57m.

Details of the approved plan can be found at <https://mmu.ac.uk/media/mmuacuk/content/documents/students/Access-and-Participation-Plan-2019-20.pdf>

As set out in the Accounts Direction (OfS 2019.41), no comparatives have been given as the prior year expenditure relates to the Widening Participation Plan and the amounts are not comparable.

NOTES TO The Accounts

	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
10 Taxation				
Current tax	1	-	-	-
Adjustment in respect of previous years	-	-	-	-
	1	-	-	-
11 Intangible assets				
Opening balance	15,926	15,926	5,480	5,480
Additions in the year	3,321	3,321	10,446	10,446
Amortisation charge for the year	-	-	-	-
Closing balance	19,247	19,247	15,926	15,926

The addition during the year relates to the development of software.

As at 31st July 2020 the software is not ready for use therefore no amortisation has been charged.

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Assets in the course of construction £'000	Total £'000
12 Fixed Assets- Consolidated						
Cost or deemed cost						
At 1 August 2019	461,080	5,560	1,663	41,800	63,170	573,273
Additions	-	4,048	-	329	47,594	51,971
Transfers	68,371	-	-	5,505	(73,876)	-
Disposals	(27,688)	-	-	-	(301)	(27,989)
At 31 July 2020	501,763	9,608	1,663	47,634	36,587	597,255
Depreciation						
At 1 August 2019	81,294	-	753	22,181	301	104,529
Charge for the year	10,173	-	385	3,631	-	14,189
Disposals	(24,178)	-	-	-	(301)	(24,479)
At 31 July 2020	67,289	-	1,138	25,812	-	94,239
Net book value						
At 31 July 2020	434,474	9,608	525	21,822	36,587	503,016
At 31 July 2019	379,786	5,560	910	19,619	62,869	468,744

At 31 July 2020, freehold and leasehold land and buildings included £27.8m (2019: £27.3m) in respect of freehold land which is not depreciated.

NOTES TO The Accounts

12 Fixed Assets continued

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Assets in the course of construction £'000	Total £'000
12 Fixed Assets- University						
Cost or deemed cost						
At 1 August 2019	461,080	5,560	1,663	41,800	63,170	573,273
Additions	-	4,048	-	323	47,594	51,965
Transfers	68,371	-	-	5,505	(73,876)	-
Disposals	(27,688)	-	-	-	(301)	(27,989)
At 31 July 2020	501,763	9,608	1,663	47,628	36,587	597,249
Depreciation						
At 1 August 2019	81,294	-	753	22,181	301	104,529
Charge for the year	10,173	-	385	3,629	-	14,187
Disposals	(24,178)	-	-	-	(301)	(24,479)
At 31 July 2020	67,289	-	1,138	25,810	-	94,237
Net book value						
At 31 July 2020	434,474	9,608	525	21,818	36,587	503,012
At 31 July 2019	379,786	5,560	910	19,619	62,869	468,744

At 31 July 2020, freehold and leasehold land and buildings included £27.8m (2019: £27.3m) in respect of freehold land which is not depreciated.

Leased assets included above:

Net book value

At 31 July 2020	-	-	-	226	-	226
At 31 July 2019	-	-	-	376	-	376

Fixtures, fittings and equipment include assets held under finance leases as follows:

	2019/20 Consolidated and University £'000	2018/19 £'000
Cost	690	829
Additions	-	690
Disposals	-	(829)
Accumulated depreciation	(314)	(624)
Charge for year	(150)	(132)
Depreciation released on disposals	-	442
Net book value	226	376

The University applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from the valuation date. As the assets are depreciated or sold an appropriate transfer is made from the revaluation reserve to retained earnings. The valuation of the land and buildings was conducted by Eddisons Chartered Surveyors on 31 July 2014.

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Cost or deemed cost					
At 1 August	4,305	4,305	4,305	4,305	4,305
Revaluation	-	-	-	-	-
At 31 July	4,305	4,305	4,305	4,305	4,305
Proceeds from disposals	-	-	-	-	-

A valuation was undertaken by Bonham's in 2012/13 which valued the books at £2,346,000 and chattels at £1,959,000.

NOTES TO

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13 Heritage Assets continued

Nature of assets held

The Manchester Metropolitan University collections are central to the artistic culture and teaching of the University and have been since its foundation. The collections include:

- Artists' books: a great range of creative experimentations with the book form
- 20th Century international poster collections
- The Manchester School of Art Collection including fine and decorative art
- The Schmoller Collection of Decorated Papers
- Children's Book Collection: featuring 19th and 20th Century children's book illustration
- Book collections exploring aspects of the book as an artefact
- Archive collections including artists working drawings and correspondence
- Manchester Society of Architects Library
- Victorian ephemera featuring 19th Century albums and scrapbooks
- Mary Butcher collection of Baxter prints

Policy for management, preservation, acquisition and disposal of assets

The use of Special Collections is supported by a conservation team who are responsible for the long-term preservation of the collections. This team works to conserve the collections so that they are available for display and study without placing the objects in danger of further deterioration.

The Book Design, Artists' Books and Children's Book collections can be accessed without an appointment and can be searched on the Library catalogue.

The Manchester School of Art collection, the Archive collections, the Schmoller Collection of Decorated Papers and the Poster collections can be searched on the Special Collections catalogue. Please contact us to make an appointment to view material from these collections.

Further information on the University's policies regarding, conservation, preservation, management and disposal of heritage assets can be found on the University's website: specialcollections.mmu.ac.uk

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
14 Non-current investments				
Analysis of closing balance				
Investment in subsidiaries (a)	-	80	-	-
Other investments (b)	78	78	106	106
	78	158	106	106
(a) Investment in subsidiary undertakings				
<i>At cost less impairment:</i>				
At 1 August 2019 -	-	-	-	-
Additions	-	80	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July 2020	-	80	-	-
(b) Other investments				
Other investments consists of investments in shares other than investments in subsidiaries, associates and joint ventures. Investments are non-listed shares and are carried at cost less impairment.				
At 1 August 2019	106	106	106	106
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	(28)	(28)	-	-
At 31 July 2020	78	78	106	106
Other investments consist of:				
<i>At cost less impairment:</i>	78	78	106	106
Group investments in spinouts	78	78	106	106

Details of investments in which the consolidated and University (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

Company	Class of share capital held	Group holding	Principal Activity	2020 £
Manmet Limited	£1 ordinary	100% owned	Dormant	1
MMU Enterprises Limited	£1 ordinary	100% owned	Holding company	100
Manchester Law School Limited	£1 ordinary	100% owned	Dormant	2
MMU Overseas Study Consulting (Wuhan) Limited Company	USD 100,000	100% owned	Consultancy	79,820

NOTES TO The Accounts

14 Non-current investments continued

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

All the investments are held by the group and the University, with the exception of MMU Overseas Study Consulting (Wuhan) Limited Company which is held by MMU Enterprises.

All the subsidiary undertakings are incorporated in England and Wales, with the exception of MMU Overseas Study Consulting (Wuhan) Limited Company which is incorporated in the People's Republic of China.

Manmet Ltd and MMU Enterprises Ltd have the same reporting date as the University. MMU Overseas Study Consulting (Wuhan) Limited has a reporting date of 31 December and The Manchester Law School Ltd has a reporting date of 30 September.

During the year the University acquired an additional 96 shares in MMU Enterprises Limited. Subsequent to this MMU Enterprises and therefore the group acquired the investment in MMU Overseas Study Consulting (Wuhan) Limited during the year for total consideration of £79,820 (\$100,000).

Manmet Limited and Manchester Law School Limited have been excluded from consolidation as they are not deemed material.

	Consolidated	University	Consolidated	University
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000

15 Investment in associates

Analysis of closing balance

At 1 August 2019	94	-	116	-
Additions	-	-	-	-
Disposals	-	-	-	-
Share of loss retained	(41)	-	(22)	-
At 31 July 2020	53	-	94	-

The Group had the following associated undertakings as at 31 July 2020:

Name of associate	Class of share capital held	Group holding	Principal activity	Share of net assets	Share of net assets
				2020	2019
				£'000	£'000
Oxford Road Corridor Financial year end 31 March	Limited by guarantee	20.0%	To maximise the economic potential of the city south area by harnessing the ongoing investment being made by key institutions (Universities; the Health Trust and the Private Sector).	53	94

	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
16 Trade and other receivables				
Amounts falling due within one year:				
Trade receivables	13,288	13,259	10,474	10,474
Other receivables	4,128	4,128	4,094	4,094
Amounts due from associate companies	-	34	18	18
Prepayments and accrued income	9,546	9,546	9,492	9,492
	26,962	26,967	24,078	24,078
	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
17 Current investments				
Short term deposits	45,188	45,188	106,200	106,200
	45,188	45,188	106,200	106,200

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

	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
18 Creditors: amounts falling due within one year				
Unsecured loans	1,461	1,461	1,848	1,848
Obligations under finance leases	162	162	158	158
Trade payables	16,674	16,663	21,262	21,262
Social security and other taxation payable	4,715	4,715	4,150	4,150
Accruals and deferred income	35,241	35,241	25,823	25,823
	58,253	58,242	53,241	53,241

NOTES TO The Accounts

18 Creditors: amounts falling due within one year continued

Deferred income

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

	Consolidated and University	
	2020	2019
	£'000	£'000
Research grants received on account	4,266	3,234
Grant income	7,980	841
Other income	8,642	7,300
	20,888	11,375
19 Creditors: amounts falling due after more than one year		
Obligations under finance lease	66	229
Unsecured loans	24,500	25,961
	24,566	26,190
Analysis of secured and unsecured loans:		
Due within one year or on demand (Note 18)	1,461	1,848
Due between one and two years	1,400	1,461
Due between two and five years	4,200	4,200
Due in five years or more	18,900	20,300
Due after more than one year	24,500	25,961
Total secured and unsecured loans	25,961	27,809
Unsecured loans summary:		
Barclays Bank PLC	25,900	27,300
HEFCE / Office for Students	61	509
	25,961	27,809

In September 2011 the University acquired an unsecured loan from Barclays Bank plc of £35,000,000 as part of the funding arrangements for the capital programme. The loan bears interest at 5.62% and is repayable by equal quarterly instalments of £350,000, which commenced in March 2014. The final instalment is due in December 2038.

During 2012/13 the University obtained a £6,500,000 interest free loan from HEFCE, which is repayable by equal quarterly instalments of £325,000 which commenced in November 2014. The final instalment was paid in August 2019.

During 2013/14 the University obtained a £306,000 interest free loan from the HEFCE Revolving Green Fund, which is repayable by equal instalments every six months. Repayment commenced in November 2014 with the final instalment paid in May 2018. Additional loans, with the same terms, of £193,000 were received in 2015/16, and £319,000 in 2016/17. This element of the loan is repayable in equal instalments on a bi-annual basis, with repayments which commenced in November 2014.

Consolidated and University	Obligation to fund deficit on USS pension	Pension enhancements on termination	Defined benefit obligations (Note 28)	Total pensions provisions	Other provisions	Total provisions
	£'000	£'000	£'000	£'000	£'000	£'000
20 Provisions for liabilities						
At 1 August 2019	5,424	11,223	122,596	139,243	7,791	147,034
Movement in the year						
Service Cost	-	-	26,809	26,809	-	26,809
Employer's contributions	(120)	-	(14,311)	(14,431)	-	(14,431)
Payments to Pensioners	-	(966)	-	(966)	-	(966)
Actuarial loss	-	713	84,464	85,177	-	85,177
Interest charge	86	223	2,737	3,046	174	3,220
Change in expected contributions	(2,064)	-	-	(2,064)	-	(2,064)
Utilisation of Provision	-	-	-	-	(3,281)	(3,281)
At 31 July 2020	3,326	11,193	222,295	236,814	4,684	241,498

NOTES TO

The Accounts

20 Provisions for liabilities continued

Defined Benefit Obligations

The defined benefit obligations relate to staff who are members of the Greater Manchester Pension Fund (see note 29).

Pension enhancements on termination

The University continues to make a diminishing number of pension enhancement payments to retired employees or their dependants. The value of this liability is reflected as a provision in the balance sheet. Each year there is a charge against the provision for payments to pensioners and credit to the provision for net return on assets. Any enhancement is recognised as part of operating surplus.

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

	31 July 2020
Discount rate	1.3%
Pension increase rate (CPI)	2.2%

Obligation to fund deficit on USS Pension

The obligation to fund the past deficit on USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management has assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

Other Provisions

Other provisions relate to an onerous lease located at the Cheshire campus and termination payments.

Contingent liability

At 31 July 2020 the University had clear plans to withdraw from the Cheshire campus. As part of operating the campus the University holds a lease for student accommodation which as at 31 July 2020 has an unexpired term of 14 years. A sub lease is in place covering the period up until 31st December 2024 and the University continues to explore a basis of assignment or other exit option from this date. The various exit options all contain different financial implications, and no one outcome is probable therefore the University is not reliably able to estimate the value of any provision at the balance sheet date without the potential for a material error arising.

	Restricted permanent endowments	Expendable endowments	2020 Consolidated and University	2019
	£'000	£'000	Total £'000	Total £'000
21 Endowment reserves				
Restricted net assets relating to endowments are as follows:				
Balances at 1 August 2019				
Capital	2	468	470	494
Accumulated income	1	-	1	17
	3	468	471	511
New endowments	-	205	205	101
Investment income	-	4	4	3
Expenditure	(1)	(207)	(208)	(153)
Transfer	-	-	-	9
	(1)	2	1	(40)
At 31 July 2020	2	470	472	471
Represented by				
Capital	2	470	472	470
Accumulated income	-	-	-	1
	2	470	472	471
Analysis by type of purpose				
Research support	-	77	77	163
Prize funds	2	7	9	11
General	-	386	386	297
	2	470	472	471
Analysis by asset				
Cash and cash equivalents			472	471
			472	471

NOTES TO The Accounts

	Donations	2020 Consolidated and University	2019
	£'000	Total £'000	Total £'000
22 Restricted reserves			
Reserves with restrictions are as follows:			
Balances at 1 August 2019	37	37	58
New donations	62	62	26
Expenditure	(26)	(26)	(38)
Transfer	-	-	(9)
At 31 July 2020	73	73	37
Analysis of other restricted funds/donations by type of purpose:			
Prize funds		73	37
		73	37

	Consolidated 2020 £'000	University 2020 £'000	Consolidated 2019 £'000	University 2019 £'000
23 Cash and cash equivalents				
At 1 August 2019	58,078	58,078	83,510	83,510
Cash flows	35,269	35,178	(25,432)	(25,432)
Exchange differences	(12)	-	-	-
At 31 July 2020	93,335	93,256	58,078	58,078

	£'000	
24 Consolidated reconciliation of net debt		
Net debt 1 August 2019	(29,882)	
Movement in cash and cash equivalents	35,257	
Other non-cash changes	(72,521)	
Net debt 31 July 2020	(67,146)	
Change in net debt	(37,264)	
	31 July 2020	31 July 2019
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	93,335	58,078
Borrowings: amounts falling due within one year		
Unsecured loans	1,461	1,848
Obligations under finance leases	162	158
	1,623	2,006
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	66	229
Unsecured loans	24,500	25,961
	24,566	26,190
Net debt	(67,146)	(29,882)
	2020	2019
	£'000	£'000
25 Capital and other commitments		
Provision has not been made for the following capital commitments at 31 July:		
Commitments contracted at 31 July	58,144	55,965
Authorised but not contracted at 31 July	19,413	51,761
	77,557	107,726

NOTES TO The Accounts

	Land and buildings £'000	Plant and machinery £'000	2020 Total £'000	2019 Total £'000
26 Obligations/receipts under operating leases				
Total rentals payable under operating leases:				
Payable during the year	9,035	405	9,440	8,503
Future minimum lease payments due				
Not later than 1 year	8,004	-	8,004	7,354
Later than 1 year and not later than 5 years	28,870	-	28,870	33,539
Later than 5 years	54,987	-	54,987	54,223
Total lease payments due	91,861	-	91,861	95,116
Total rentals receivable under operating leases:				
Receivable during the year	1,032	-	1,032	755
Future minimum lease payments receivable				
Not later than 1 year	1,290	-	1,290	755
Later than 1 year and not later than 5 years	6,831	-	6,831	3,010
Later than 5 years	445	-	445	445
Total lease payments receivable	8,566	-	8,566	4,210
			2020 £'000	2019 £'000
27 Obligations under finance leases				
The future minimum finance lease payments are as follows:				
Due within one year			166	167
Due between one and two years			67	166
Due between two and five years			-	67
Total gross payments			233	400
Less: finance charges			(5)	(13)
Carrying amount of liability			228	387

Finance leases are in place for University servers and multifunctional printing devices. These run between three and five years and are entered into with the University bearing the majority of the risk and rewards.

28 Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one entity and a financial liability in another entity. The carrying value of the Group and University's financial assets and liabilities are summarised by category below:

	Notes	2019/20 Consolidated £'000	2019/20 University £'000	2018/19 Restated Consolidated £'000	2018/19 Restated University £'000
Financial assets measured at amortised cost:					
Trade receivables	16	13,288	13,259	10,474	10,474
Other receivables	16	4,128	4,128	4,094	4,094
Financial assets measured at cost less impairment:					
Cash and cash equivalents	23	93,335	93,256	58,078	58,078
Investments (non - current)	14/15	131	158	200	106
Investments (current)		45,188	45,188	106,200	106,200
Trade and other receivables	16	3,479	3,513	3,926	3,926
		159,549	159,502	182,972	182,878
Financial liabilities measured at amortised cost:					
Loans	19	25,961	25,961	27,809	27,809
Trade and other payables		228	228	387	387
Financial liabilities measured at cost less impairment:					
Trade and other payables	18	31,027	31,016	33,781	33,781
		57,216	57,205	61,977	61,977

The Group's and Universities income and expenses in respect of financial instruments are summarised below:

Total interest income for financial assets at amortised cost	5	108	108	233	233
Total interest expense for financial liabilities at amortised cost		1,691	1,691	1,563	1,563

The University enters into predominantly non-complex, short term transactions resulting in basic financial instruments. As such the risk associated with the assets and liabilities outlined above is deemed by the University to be low. The vast majority of the financial assets outlined are in the form of cash, cash equivalent or current investments held with financial institutions on deposit. The value of these assets alone cover the outstanding debt.

For further details on terms and conditions associated with loans refer to note 19.

NOTES TO

The Accounts

29 Pension schemes

The principal pension schemes for the University's staff are the Greater Manchester Pension Fund ('GMPF') which is administered by Tameside Metropolitan Borough Council in accordance with the Local Government Pension Scheme Regulations 2013, the Teachers' Pension Scheme ('TPS') which is administered by the Teachers' Pension Agency and the Universities Superannuation Scheme ('USS') which is administered by the trustee, the Universities Superannuation Scheme Limited. The schemes are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme. The GMPF and USS are valued every three years with the TPS being valued every five years. This is completed by actuaries using a prospective benefits valuation method with the rates of contribution payable being determined by the pension fund on the advice of the actuaries.

Under the definitions set out in IAS 19, both the USS and the GMPF are multi-employer defined benefit pension schemes. In the case of the GMPF the actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2020. For the USS a liability has been recognised on the balance sheet as at 31 July 2020.

Greater Manchester Pension Fund

The last formal valuation of the scheme was performed at 31 March 2019 by a professionally qualified actuary with subsequent valuations taking place every three years. The major assumptions utilised in calculating the year end valuation have been detailed below:

	2020 % pa	2019 % pa
Pension increase rate	2.1	2.4
Rate of increase in salaries	2.9	3.2
Discount rate / expected return on assets	1.4	2.1

Contribution rates are as follows:

	%
From 1 April 2017 to 31 March 2020	21.4

The increases in contribution rates may reduce the deficit.

The most significant non-financial assumption is the assumed level of longevity. The assumed life expectancies on retirement age at 65 are:

	Males		Females	
	Pensioner	Future pensioner	Pensioner	Future pensioner
At 31 July 2019	20.6	22.0	23.1	24.8
At 31 July 2020	20.5	22.0	23.1	25.0

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:

Scheme assets	Fair value as at	
	2020 £'000	2019 £'000
Equity securities	159,380	130,087
Debt securities	31,599	24,988
Private equity	22,663	18,390
Real estate	15,760	18,674
Investment funds and unit trusts	154,944	205,629
Derivatives	-	-
Cash and cash equivalents	8,693	12,572
Total	393,039	410,340

NOTES TO The Accounts

29 Pension schemes *continued*

	2020 £'000	2019 £'000
Analysis of the amount shown in the balance sheet		
Scheme assets	393,039	410,340
Scheme liabilities	(615,334)	(532,936)
Deficit in the scheme	(222,295)	(122,596)
Analysis of amount charged to staff costs		
Current service cost	(28,841)	(21,268)
Past service costs	2,032	(4,410)
Total operating charge	(26,809)	(25,678)
Analysis of the amount charged to interest payable/credited to other finance income		
Interest cost	(11,448)	(12,895)
Expected return on assets	8,711	10,769
Net charge to interest payable	(2,737)	(2,126)
Analysis of other comprehensive income		
Return on assets excluding amounts included in net interest	(33,301)	11,479
Other experience	11,413	-
Past service credit arising on change of pension increase assumption financial year	(62,576)	(49,360)
Total other comprehensive income	(84,464)	(37,881)

	2019/20 £'000	2018/19 £'000
Analysis of movement in deficit		
Deficit at beginning of year	122,596	69,449
Contributions or benefits paid by the University	(14,311)	(12,538)
Current service cost	28,841	21,268
Past service cost	(2,032)	4,410
Other finance charge	2,737	2,126
Gain recognised in other comprehensive income	84,464	37,881
Deficit at end of year	222,295	122,596

	2019/20 £'000	2018/19 £'000
Analysis of movement in the present value of scheme liabilities		
Present value of scheme liabilities at the start of the year	532,936	451,155
Current service cost	28,841	21,268
Past service cost	(2,032)	4,410
Interest cost	11,448	12,895
Actual member contributions	4,400	3,968
Estimated benefits paid	(11,422)	(10,120)
Changes in financial and demographic assumptions	62,576	49,360
Other experience	(11,413)	-
Present value of scheme liabilities at the end of the year	615,334	532,936

Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	410,340	381,706
Expected return on assets	8,711	10,769
Actuarial (loss)/ gain on assets	(33,301)	11,479
Actual contributions paid by University	14,311	12,538
Actual member contributions	4,400	3,968
Estimated benefits paid	(11,422)	(10,120)
Fair value of scheme assets at the end of the year	393,039	410,340

NOTES TO

The Accounts

29 Pension schemes continued

Defined benefit scheme assets do not include any of the University's own financial instruments or any properties occupied by the University.

The estimate for contribution for the defined benefit scheme for the year to 31 July 2021 will be approximately £13,901,000.

The actual return on scheme assets for the year was a £24,590,000 loss (2019: £22,248,000 gain).

The Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme. 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 University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University 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 profit and loss account.

The total credit charged to the profit and loss account is £2,098,000 (2019: £3,520,000 cost) as shown in note 20.

Since the University cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth 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 £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%. The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases CPI	"Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a."
Discount rate (forward rates)	"Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%"

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 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation Pre-retirement	2017 valuation Pre-retirement
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post retirement	Post retirement
	97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females	96.5% of SAPS S1NMA 'light' for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2016 with a smoothing parameter of 8.5 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:

	2018 valuation	2017 valuation
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	4.20%	2.11%

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

NOTES TO

The Accounts

29 Pension schemes continued

The Teachers' Pension Scheme

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.

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 will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx

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.

Cheshire Pension Fund

A number of former employees 13 (2019: 12) receive retirement benefits from the Cheshire Pension Fund. The related asset is not material to the University's accounts.

Total pension cost

The total pension cost for the University and its subsidiaries:

	2019/20	2018/19
	£'000	£'000
Teachers' Pension Scheme: contributions paid	16,994	11,680
Local Government Pension Scheme: charge	26,048	25,113
USS Pension Scheme	1,439	1,246
Other pension schemes	192	166
	44,673	38,205

At 31 July 2020 there was a total pension creditor of £3,775,000 (2019: £3,131,000) which was paid by 5th August 2020.

NOTES TO

The Accounts

30 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.

Management consider 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:

Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

Valuation of fixed assets

Management make judgements as to whether the estate is appropriately valued at each balance sheet date and whether any indicators of impairment exist. As our estate forms an estimated 64% of our asset base, an incorrect assessment of asset value could influence the readers understanding of the accounts and position of the University. Discussions are held prior to year end to assess market movements, planned changes to the estate and any other indicators which might warrant a change in the carrying value of an asset. Should an impairment be indicated, a third party valuer would be contracted to estimate the change in carrying value at the balance sheet date.

Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgments based on these. In the context of our accounts the carrying value of other provisions represents a small portion of the total provisions. That being said we refer to a contingent liability which has the potential in future periods to increase this balance. The treatment of this balance makes provisions themselves a more critical accounting judgement. Refer to note 20 for further details.

Sale of assets

Deferred payments relating to the sale of assets are measured using the amortised cost and effective interest method with a discount rate based on the market rate of interest for a similar debt instrument.

Retirement benefit obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 29.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

NOTES TO The Accounts

31 Related Party Transactions

Members of the Board of Governors are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it. The Board of Governors has considered the financial effect of all transactions involving organisations in which a member of the Board of Governors may have an interest. It is confirmed that these are conducted at arm's length and in accordance with the University's Financial Regulations. Significant transactions were:

	2019/20 Income £'000	2019/20 Expenditure £'000	2019/20 Debtor £'000	2019/20 Creditor £'000
Arawak Walton Housing Association	3	-	-	-
Bunzl plc	-	1	-	-
Castlefield Gallery	-	3	-	-
CHEAD Executive Committee	-	2	-	-
Chorlton Park Primary School	-	1	-	-
Greater Sport	26	1	-	-
Manchester Airport PLC	5	-	-	-
Manchester Airports Group	-	-	20	-
Manchester International Festival	-	13	-	-
Manchester Science Partnerships	-	196	-	-
MC2 (Manchester) Ltd	2	-	-	-
MMU Student Union	647	1,736	-	3
Oxford Road Corridor	-	56	-	290
Pennine Care NHS Foundation Trust	31	34	1	-
Sick! Productions Ltd	-	5	-	-
St Mary's Primary School	-	2	-	-
UNIAC	1,082	224	24	45
Wigan & Leigh College	-	282	-	-

Related party	Nature of the relationship
Arawak Walton Housing Association	Evelyn Asante-Mensah is a member of the Manchester Metropolitan University Board of Governors and Chair of Arawak Walton Housing Association
Bunzl PLC	Vanda Murray is a member of the Manchester Metropolitan University Board of Governors and a Non-executive Director of Bunzl Plc
Castlefield Gallery	Penny Macbeth is a member of the Manchester Metropolitan University Board of Governors and a Trustee of Castlefield Gallery
CHEAD Executive Committee	Penny Macbeth is a member of the Manchester Metropolitan University Board of Governors and a Trustee of CHEAD Executive Committee
Chorlton Park Primary School	Andrew Hewett is a member of the Manchester Metropolitan University University Executive Group and a Governor of Chorlton Park Primary School
Greater Sport	Mike Perls is a member of the Manchester Metropolitan University Board of Governors and Chair of Greater Sport
Manchester Airports Group	Vanda Murray is a Non-Executive Director and Neil Thompson is Chief Financial Officer at Manchester Airports Group, and both are members of the Manchester Metropolitan University Board of Governors.
Manchester Airport Plc	Neil Thompson is a member of the Manchester Metropolitan University Board of Governors and a Director of Manchester Airport Plc
Manchester International Festival	Malcolm Press is a member of the Manchester Metropolitan University University Executive Group and a Board Member of Manchester International Festival
Manchester Science Partnerships	Malcolm Press is a member of the Manchester Metropolitan University University Executive Group and a Board Member of Manchester Science Partnerships
MC2 (Manchester) Ltd	Mike Perls is a member of the Manchester Metropolitan University Board of Governors and a Chief Executive Officer of MC2 (Manchester) Ltd
MMU Student Union	Anna Welsh (Trustee) and Lucy Follon (Trustee) are Board Members of MMU Students' Union and Governors of the Manchester Metropolitan University
Oxford Road Corridor Manchester	Malcolm Press is a member of the Manchester Metropolitan University University Executive Group and a Board Member of Oxford Road Corridor
Pennine Care NHS Foundation Trust	Evelyn Asante-Mensah is a member of the Manchester Metropolitan University Board of Governors and Chair of Pennine Care NHS Trust Foundation
Sick! Productions Ltd	Rowena Burns is a member of the Manchester Metropolitan University Board of Governors and a Trustee of Sick! Productions Ltd
St Mary's Primary School	Evelyn Asante-Mensah is a member of the Manchester Metropolitan University Board of Governors and a Governor of St Mary's Primary School.
UNIAC	Andrew Hewett is a member of the Manchester Metropolitan University University Executive Group and a Board Member of UNIAC
Wigan & Leigh College	Alison Chambers is a member of the Manchester Metropolitan University University Executive Group and a Governor of Wigan & Leigh College

The University also acts as an agent for UNIAC providing payroll services. At the year end £23,557 was outstanding in respect of these services.

SENIOR OFFICERS

Chancellor

The Rt Hon Lord Mandelson PC

Pro-Chancellor

Ms Vanda Murray OBE BA DESEM FCIM
(to 31 July 2020)

Mr Simon Duffy
(from 1 August 2020)

Vice-Chancellor

Professor Malcolm Press BSc PhD

Deputy Vice-Chancellor

Professor Steve Decent BSc PhD FIMA
(from 1 December 2019)

Chief Operating Officer

Professor Karen Moore BSc PhD

Pro-Vice-Chancellor for Education

Professor Helen Laville BA PhD

Pro-Vice-Chancellor for International

Professor Jenny Watling BSc PhD

Pro-Vice-Chancellor for Research and Knowledge Exchange

Professor Richard Greene BSc PhD MB BS MBA FHEA FAS

Director of Finance

Mr Andrew Hewett BCom FCA

Director of Human Resources and Organisational Development

Ms Frances Hewison

FACULTY PRO-VICE CHANCELLORS

Arts and Humanities

Professor Sharon Handley BA PhD

Business and Law

Professor Julia Clarke BA ACA PGCHE
(to 31 December 2019)

Professor Christine Horrocks CPsychol
(from 1 January 2020)

Education

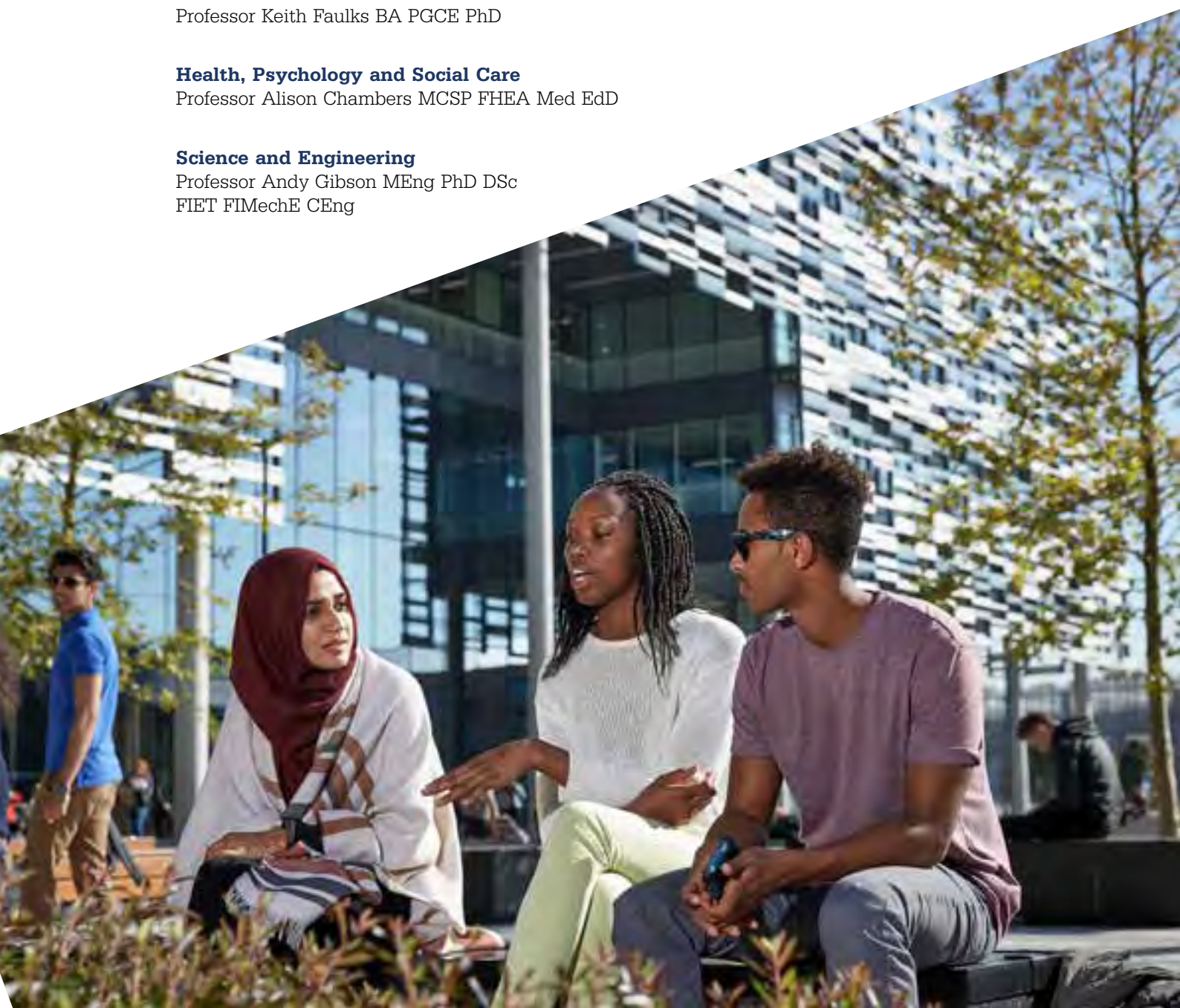
Professor Keith Faulks BA PGCE PhD

Health, Psychology and Social Care

Professor Alison Chambers MCSP FHEA Med EdD

Science and Engineering

Professor Andy Gibson MEng PhD DSc
FIET FIMechE CEng



BOARD OF GOVERNORS

2019/20

Ms Vanda Murray OBE (Chair)
(to 31 July 2020)

Mr Simon Duffy (Chair)
(from 1 August 2020)

Mr Sean Anstee
(from 1 December 2019)

Dr Evelyn Asante-Mensah OBE

Dr David Birch

Professor Tim Brennan
(from 27 June 2020)

Ms Rowena Burns

Mx Bran Catron
(from 1 July 2020)

Dr Darren Dancey

Mrs Janet Dawson

Ms Lucy Follon
(to 30 June 2020)

Mr Carlo Frondaroli

Mr Mohammad Habeebullah OBE

Mr Norman Harrison
(to 31 July 2020)

Professor Donna Lee

Ms Penny Macbeth
(to 25 May 2020)

Mr Mike Perls MBE

Professor Malcolm Press

Mr Mark St John Qualter

Mr Miles Rothbury

Ms Evelyn Sweeney
(from 1 July 2020)

Mr Neil Thompson
(to 25 September 2020)

Ms Karen Varty

Mx Anna Welsh
(to 30 June 2020)





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